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# THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

(Official Organ of the Indian Institute of Public Administration)

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Administration—A Human Problem  
(An Address by the President of India)

Five Years of the Institute

V. T. Krishnamachari

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(The Sherman Adams Case in the United States)

(A Note)

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*(The views expressed in the signed articles are the personal opinions of the contributors and are in no sense official, nor is the Indian Institute of Public Administration responsible for them.)*



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# THE INDIAN JOURNAL OF PUBLIC ADMINISTRATION

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Vol. V

January-March 1959

No. 1

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## ADMINISTRATION—A HUMAN PROBLEM\*

I AM very glad to have come here in response to the kind invitation of the Executive Council of the Indian Institute of Public Administration for opening its new building. Having had the pleasure of visiting your Institute earlier in your old premises, I can claim a little familiarity with its working and its aims and objects. I have also had occasion to visit and know something about a similar institution in Hyderabad—the Administrative Staff College of India. Both of these institutions are of all-India importance and national in character, the main difference being that whereas yours has been sponsored by the Government, the Administrative Staff College of India located at Hyderabad is mainly the result of non-governmental effort. But I take it that to some extent at least both of these must be covering common ground and care must have been taken to avoid duplication or overlapping.

Public administration in a vast country like India has a deep bearing on the happiness and welfare of the people. At a time when governmental functions and business administrations are tending to expand more and more in people's interest and when the impact of the administrative machinery is felt at all levels of public activity, any plan which seeks to promote the study of public administration and to provide facilities therefor, will be widely welcomed. I am happy that the Union Government should have taken the initiative in setting up an institute like this with which the State Governments, academic bodies, individual units of Government and business associations are closely connected.

Public administration, as I view it as a layman, is a pragmatic science, by which I mean that human experience and our day-to-day

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\* Text of the address delivered by the President of India, Dr. Rajendra Prasad, at the opening of the Institute's School of Public Administration and its buildings at Indraprastha Estate, Ring Road, New Delhi, on the 31st January, 1959.

needs and requirements are the mainspring from which its aims and rules of procedure are drawn. In a sense, therefore, the principles of public administration reflect the spirit of the age and the conditions of society in that age. We read with considerable interest the accounts of the working of public administrations in ancient times, the middle ages and the beginning of the modern era from the pen of historians and travellers. Those accounts do give us an idea of the state of social and public affairs prevailing in those times. But gradually as the tempo of social life has gone on mounting as a result of the advances in knowledge and the multiplication of human needs, public administration also has gone on acquiring a more and more complicated complexion. Today we have reached a stage when the smooth or defective working of administration whether at the governmental or business level, cannot fail to be reflected in the day-to-day affairs of the people. That is because public administration has made inroads into every department of life so that anything like a vacuum from the point of view of administration has ceased to exist.

That being so, hardly an argument is needed to support the plea for setting up special institutes like yours for promoting and providing the study of administration and its various branches. As I have said, public administration in order to be useful or, at any rate, above criticism has to keep itself in close touch with all sections of the public, for it is from public opinion and popular action and reaction that it draws the material on which to build, to correct and to reshape itself. Hence the need of an intensive study of the various subjects of popular interest, particularly social sciences like Economics and Political Science. Hence also the need of continuous research leading to proper appreciation of popular needs.

It is gratifying to know that the detailed programme which you have prepared provides amply for all these activities. Apart from building up and maintaining suitable libraries and information services to facilitate the study of public administration and spreading information in regard thereto, you have also organised a school of public administration for the training of administrators. I am sure the two years' and one year's training courses which you have provided in this school will attract large numbers of our young men and women and, in the long run, it would improve the quality of the human material for purposes of selection of our administrative services and business administration.

While you have taken all possible care to provide facilities for study, research and training, which may be expected to turn out efficient administrators, I shall take the liberty of pointing out to one



quality which I consider to be a basic qualification for an administrator. Apart from efficiency which is so essential, the administrator needs to have a human approach to all problems and programmes that he has to solve and implement. That implies that he must have the spirit of service. Without this human approach and this spirit of service even the best trained administrator will fail to have the right approach to the problems he is called upon to tackle. Administration, let it not be forgotten, is not an end in itself. It is essentially a means to an end, which is promoting the welfare of the community through orderly management of day-to-day affairs and smooth disposal of work whether in office or in the field. This end can be achieved only if those entrusted with the task of administration undertake it in a spirit of public service. They must conduct themselves in a manner which inspires people's confidence and co-operation. I have mentioned it here because you are going to train young men in the principles of public administration.

An organisation like yours, which is both a research and study centre and a training institution, requires good and commodious premises. I am, therefore, happy to see that through your Executive Council's efforts and Government's help you are now going to have your own building. While declaring this new building open, I offer you my congratulations and wish the Indian Institute of Public Administration the best of luck and a long career of service to the nation.

## FIVE YEARS OF THE INSTITUTE\*

*V. T. Krishnamachari*

I should like to say at the outset how deeply grateful we are to you, Mr. President, for so graciously consenting to open the new building of the Indian Institute of Public Administration and to inaugurate the Indian School of Public Administration.

Administration has always played an important part in India because of the wide range and variety of governmental functions and because the activities of government affect the daily lives of many millions of people. It should be realised, however, that the coming of Independence and the establishment of a Welfare State call for a radical transformation of an administration which was evolved over several decades to meet the requirements of an entirely different social order. What is needed is not merely a change in systems and procedures but a new philosophy and moral purpose. The Institute has been established to assist in this process of transformation. It provides a forum in which administrators will meet men and women with different backgrounds and experience and discuss common problems with them.

The Institute was established in March 1954 as a registered society. Its objects, as stated in the Memorandum of Association are, briefly:

- (i) to promote and provide for the study of public administration and economic and political science with special reference to public administration and the machinery of government;
- (ii) to organise study courses, conferences and lectures and research in matters relating to public administration and the machinery of government;
- (iii) to undertake the publication of a journal and of research papers and books to impart training in and promote the study of public administration;
- (iv) to establish and maintain libraries and information services to facilitate the study of public administration and spreading information in regard thereto.

During the last four years and more we have endeavoured in our work to keep in view these objectives and help to accomplish

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\* Welcome speech at the opening of the Institute's buildings and School on January 31, 1959.



them. We have now about 1200 members from all parts of India. We have also members outside India. All State Governments and most universities in India have now become our corporate members. We have also other corporate members, such as business associations. While the majority of our members are in the service of government, all sides of national life are represented in our membership. We have among us university teachers, members of legislature, business men and men and women from other walks of life. We have also a special class of associate members consisting of post-graduate students. We have a programme for regional and local branches. There are four regional branches in Bombay, Mysore, Utkal and Rajasthan and local branches at Trivandrum, Patna, Lucknow and Madras, and soon we expect to have regional and local branches in all States.

Our activities may be grouped under four heads:

Firstly, we have research schemes in progress bearing on important aspects of administration and useful material on administrative systems is being collected. Quite recently, we published a book describing the organisation of the Government of India at headquarters. Other similar publications are under preparation.

Secondly, we conduct critical studies of specific administrative problems—like village institutions, district administration, management of public enterprises, morale in the public services, the Delhi traffic authority—and hold seminars. Papers are published bringing out the results of the discussions at these seminars. We also arrange public lectures by eminent persons in the field of public administration.

Thirdly, we publish a quarterly journal, a monthly abstract of articles appearing in journals on public administration and a monthly newsletter giving information about orders relating to administration issued by the Central and State Governments. I am glad to say that the quality of these publications is improving steadily and our members are finding them useful.

Fourthly, we have a well-equipped library and reading room for the use of our members. We have established contacts with similar institutions in other countries and obtain their publications for our library.

The Indian School of Public Administration, which was one of the original objectives of the Institute, took time to organise. We

had to work out the courses of studies with the best advice available, recruit teachers and train them in suitable institutions. These preliminaries were completed towards the close of the last year. The School began work in November 1958. This year we have admitted a small number—seven in the First Year Class and 23 (including six Government officers from the States) in the Second Year Class, as we had to make a beginning in the temporary buildings in our occupation. The School is primarily intended to impart higher education in the field of Public Administration (including Economic Administration and Social Administration). Its courses are designed to give the students a broad comprehension of the process of making of public policy as well as of the agencies and techniques that facilitate efficient administration. The main objective may be briefly described as the provision of a liberal education in a professional subject—that of Public Administration. The School also engages itself in research in the field of Public Administration. Both in the instruction it imparts and the research it conducts, the School works in close association with the other activities of the Institute of which it forms a part. It provides a two years' course for graduates of any faculty, and a one year's course for those who already have a Master's degree in Public Administration or allied subjects. In the teaching we attach special importance to the participation of those who have practical experience of administration and actual work in government units is part of the scheme of studies. There is a hostel attached to the School.

I should like, in this connection, to express our deep gratitude to the Government of India and the Ford Foundation for the generous financial assistance they have given to us. This assistance has enabled us to construct the buildings which you are opening today, to equip our library adequately and to train our teachers in universities outside India. With the new facilities available, we shall be able to increase our membership, expand our work and give much more assistance to our members than we have been able to do in the past.

The nation is committed irrevocably to policies and programmes for large-scale social and economic development aimed at bringing about a rapid rise in standards of living and the largest measure of social justice attainable. For the success of these, nothing is more vital than that there should be administrations in the Centre and the States consisting of men and women with a sense of mission, efficient in their spheres of work, living with the people and in close contact with their problems, and assisting them in their efforts for a fuller life. It will always be the aim of the Institute through its varied



activities to assist its members and others coming under its influence to play their part in the new order of things.

The Executive Council of the Institute beg to take this opportunity of acknowledging with gratitude the guidance it has received in its work from the Prime Minister, who is the President of the Institute. His interest in the Institute and all its activities is a source of inspiration to all of us. We have also received much help from the Ministers at the Centre and in the States and also Governors. Eminent non-official gentlemen, Members of Parliament and others, have also been unstinting in their support to us. To all of them we should like to express our gratitude.

I now request you, Mr. President, to be so good as to declare the main building formally open and also inaugurate the School.



## ADMINISTRATION : THEN AND NOW\*

*John Matthai*

I THINK it was Sir John Seeley who in one of his lectures as Professor of Modern History at Cambridge made a distinction between organic government and free government. Organic government, according to him, is a government in which those who govern and those who are governed belong to the same social or racial group. By the term free government he meant not merely that the government belonged organically to the same community as the governed, but that the government were elected by the people and hence represented their common will. In the context of current politics, an organic government which is also free would mean a government based on nationalism and democracy. A national democratic government is the type of government which has come into existence in India as a result of the achievement of independence. A government marked by a true sense of nationality and functioning on a democratic basis is ideally the best government a country could have. We have achieved in India as a result of the freedom movement a system of government which is inherently superior to government by a foreign bureaucracy and which in good and capable hands might be expected logically to be the best in the interests of the country. The distinction between administration before and now is that before independence the government that carried on the administration was neither organic nor free but now it is both.

In determining how far the expectations regarding the new government have been fulfilled in the years which have followed, it is worth while to survey the period since Independence to find out what are the factors which have helped and also what are the factors which have hampered the successful working of government. I propose to gather such thoughts as I have on the subject of my discourse round this topic and make it the main thesis of my lecture.

Taking first the factors which have enabled the country to carry on government with reasonable success since it became free, the most important, next to the dynamic sense of a newly fulfilled nationalism, was the momentum and tradition derived from the old government. Unlike other Asian countries which were involved in the war, India

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\* Text of the lecture delivered at the Indian Institute of Public Administration, New Delhi, on April 9, 1959.

was not subjected to annexation and government during the war by another power. Its methods of administration and the working of its economy did not suffer, as in neighbouring countries, by the dislocation caused by Japanese occupation. In fact we took over from the British a good going concern with a well-organized system of executive and judicial administration and of internal communications which provided the foundations on which a new government could be based.

But it was not merely that we took over a going concern, but those who were responsible for it before we assumed control, were interested in leaving behind a heritage which would not merely provide a framework of good administration but also a starting point for the development of its resources and the improvement of its standard of life. Practically all the more important development projects which form the main features of India's planned development have come to us from the government who preceded us. The Bhakra, D.V.C., Sindri, Chittaranjan and other projects which are integral parts of the Five Year Plans were conceived and initiated by those who preceded us. They did so with a sense of loyalty and disinterestedness which, looking at them from this distance of time, reflect no little credit on them.

An essential condition for the proper functioning of a democratic government is the framing of a constitution which will provide not merely political guidance and orderly procedure but an element of stability. The Indian Constitution in spite of many weak points, such as its unduly elaborate and complicated provisions and the confusion disclosed in them between matters suitable for parliamentary legislation and those suitable for constitutional regulation, has provided a useful starting point for the new government and has worked with almost unexpected success. It has survived two general elections held on a massive scale and among a largely illiterate population and met the political requirements of the country during the past ten years with an astonishing measure of success. The framing of a constitution so comprehensive and detailed in a relatively short period should be attributed mainly to the material provided for the constitution-makers in the Government of India Act passed by the British Parliament in 1935 which, whatever one may think of its individual provisions, was a monumental piece of legislation based on prodigious study and thought.

Apart from the Constitution, the running of the administration since Independence particularly at the top level has been largely the responsibility of the Indian officers of the Civil Service who have survived into the new era. They have shouldered the burden of administration with their past experience and training re-inforced by a new



spirit of patriotic service fostered by their consciousness for the first time of being agents of a national government.

One of the most enduring contributions made by the British to their successors in India is the spirit and tradition of the judiciary which they set up in the country. An independent and impartial system of judicial administration is a *sine qua non* of good government particularly in a democratic society. Many things have changed in India since Independence but the judiciary has not merely maintained the great traditions it has inherited from the previous regime but has strengthened it and enhanced its reputation in the difficult conditions of the new order. If the Constitution provides an element of stability for the country, it is to the courts we must look for its effective and impartial enforcement. The fundamental rights of the individual which form the essence of a free society are guaranteed in the Constitution but the guarantee depends for its validity and enforcement on the courts and it is correct to say that the courts so far have hardly ever failed us in this respect.

Lastly, in spite of independence and although constitutionally a republic, India has continued as a member of the commonwealth and of the sterling area. This has benefited her immensely in regard to problems of international trade and finance.

Although on both the administrative and developmental sides of government we are generally working on the pattern laid by the British government, there are at least three matters of first-class importance which the national government have initiated and for the development of which the credit must go entirely to them. The first is the formulation of India's foreign policy and the conduct of her foreign affairs, a field in which as a colonial dependency for two centuries India had had no experience but in which in recent years she has achieved an almost unique reputation. The second is the integration of the Indian States into a federal republic. Although the Government of India Act, 1935, had outlined the idea of a federal state, the formulation of a working policy and its successful implementation are solely the achievement of the new government. The third is the community development programme and the remarkable progress it has made. The idea originated with the present government and all the work on it has been done by them. If the potentialities of this project materialise in a reasonably full measure, it will make an immense difference to the future of the country.

Among the factors which have had the effect of adding to the difficulties of the new government, one of the most important is the

repercussion on the working of the new government of the ideas and methods of the revolutionary movement which brought it about. The Indian revolutionary movement was based on the principle of non-violence and non-violence as a method of revolutionary activity necessarily implied the adoption of direct action in one form or another. The most popular form of direct action during the revolutionary movement was *satyagraha* which although it did not involve physical violence, accepted no constitutional restraint and which in effect was an open defiance of the legal provisions and the constituted authority of the country. It is interesting to recall that the beginning of the scheme of states reorganisation was the result of the direct action adopted by a well-known State leader.

In the mass appeal which a revolutionary movement must make for its eventual success, there are certain measures which it adopts rather as symbols of a new social order than as effective aids to social and political well-being. In India these include such things as prohibition and the encouragement of hand-spinning which, it was obvious from the start, had little place in a state working under the conditions of the modern world. Nevertheless, in the people's eyes they provided a picture, however vague, of the new heaven and the new earth which the revolution was expected to bring about. When the national movement fulfilled itself in the form of a sovereign state it was impossible to lay aside suddenly these symbols which helped forward the revolutionary movement. They therefore continued after Independence as slogans, as catch-words which bore hardly any relation to the realities of administration.

One of the greatest handicaps of India since Independence has been the need of carrying forward the slogans of an ideological revolution. These, under the pressure of the necessities of modern administration, bore less and less relation to the real tasks of government. The result is that since we became a sovereign state, we have been hampered by the unrealistic atmosphere in which, as a hang-over of the revolution, government has had to be carried on. The weight of the dead hand still hangs heavy upon us and in the absence of the prophet, the disciples who have taken over the business of government have neither the ability nor the courage to discard these worn-out shibboleths.

In addition to these circumstances which complicated the work of government must be mentioned the enormous disorganisation caused by the partition of the country, the dislocation resulting from the departure from India of large numbers of experienced members of the various services and the tremendous increase in the quantum of administration necessitated by the integration of the Indian States and the

institution of a full-blooded system of parliamentary government. These constituted a heavy addition to the burdens of administration under which a new and inexperienced government had to labour.

A non-organic government in the sense of a government by a foreign power is marked by certain well-known characteristics which are illustrated by the experience of India under British rule. Before discussing them, it may be remarked that it is difficult to define in any given case to what extent the people who govern a country are organically related to the people they govern. What it broadly means in the context of the modern world is that the government and the governed both belong to the same nation and that what gives them a consciousness of unity is a sense of nationality. But nationalism is itself a difficult concept to analyse. If the United Provinces and Kashmir had been territorially different from the rest of India and did not historically belong to the jurisdiction of the same government, Shri Nehru would be a foreigner and the people of India would not feel a sense of national identity with him. His government would not then be an organic government any more than the British government who preceded it. Nationalism is today one of the strongest political forces but the foundations of nationalism are thin and shadowy and the influence it wields is difficult to appreciate or size up.

It is a common feature of government by foreigners that the governing class as a rule have little faith in the virtues of those who are governed. Their attitude is characterised generally by a superiority complex which is not consistent with that mutual understanding so essential to good government. A superiority complex is often accompanied by a sense of mission and service which to some extent redeems it. Even then it does not help people to gather the experience and self-confidence which would enable them to do things themselves instead of having them done by government for them. This was essentially the case with the British government in India. The best of those who constituted its ruling caste were able men inspired by a sense of purpose. But deep down they had little confidence in the people and little desire to inspire in them any self-confidence. Such a government may by some standards be regarded as efficient but in the business of governing men, efficiency is not the final test. The final test would undoubtedly include quantitative service but the decisive element in it is the psychological relationship that arises between the government and the people and how far the people are made conscious that they have a voice in their own destiny and that it can be fulfilled by their own exertion.

Under British rule, the extent to which the bureaucracy believed in the people varied a great deal from time to time. At the beginning



of the East India Company's rule, commercial opportunism was the governing consideration and hence there was little occasion as between them and the people of India for considering who was superior and who was inferior. It was a business relationship which did not lend itself to a conscious measurement by either party of the cultural or social worth of the other. But as commercial business was gradually supplemented by the business of administration, the very process of exerting political dominion raised in people's minds the moral and intellectual status of the two parties which justified authority on one side and submission on the other. It is worth while recalling that in the middle of the 18th century, before the Industrial Revolution had started in England, the representatives of the East India Company in India found the general outline of India's economy not perceptibly different from their own and the sense of superiority which the progressive introduction of machinery created in the latter half of the 19th century was absent. Further, during the 18th century the growth of science was still in its early stages in Europe and the creative spirit and intellectual outlook displayed in the literature and philosophy of India were if anything superior to those of Europe. The culture and thought of India produced therefore on the minds of the better educated among the Company's representatives in India a genuine appreciation of India's classical writings and the artistry and thought embodied in them. This had its effect on government to the extent that although power ultimately rested with the Company, it induced an attitude of mutual regard and co-operation in administration.

The British people's interest in the Government of India started from commercial motives and since trade was their chief interest and government was looked upon largely as an instrument for promoting it, the main concern of government was to establish security by the maintenance of law and order in the country because nothing mattered more to a commercial community than the prevalence of a fair measure of security. The importance of preserving law and order acquired a special degree of importance because India had just emerged from a period of political trouble and disquiet and it was necessary to make every effort to restore and maintain a minimum degree of security so that trade could flourish. The attitude towards law and order displaced by the British government in India was inspired also by the tradition of the Roman Empire of which historically they regarded themselves as successors and the *Pax Romana* by which the Roman Empire in the mind of posterity justified its existence as a political entity. The government's purpose, therefore, however good, was in the main negative and provides a contrast with the outlook and purpose of the present government.

It was natural to expect that when a country was governed by another country and the purpose of the governing country was largely concerned with the promotion of trading interests, the attitude of government would be marked by a general bias in favour of the interests of the governing country. During the period of their rule in India, the British government commanded general respect for the fine sense of justice and impartiality they displayed as between different sections and interests of the Indian population. But throughout the period there was also a suspicion strongly held by the people of India, not without foundation, that when it came to a matter in which the interests of India and Britain clashed, the government could not be trusted to hold the scales even. The famous instance of the excise duty levied on the cotton textile industry in India for the benefit of Lancashire was a case in point. So was the general policy followed in the economic field of discouraging industrial development in India and encouraging imports of manufactured goods from Britain and exports of raw materials from India. This policy was reflected in the fiscal arrangements of the country and in the adjustment of railway freight rates. When the policy of protection for Indian industries was adopted in 1923, it was largely because the first world war demonstrated the need for making India self-sufficient from the point of view of the Empire in various categories of essential goods and materials. The old prejudices however still survived and the policy of discriminating protection except in the case of a few basic industries became largely a facade behind which India continued to be looked upon as a market for the products of British industries and as a supplier of the raw materials required by them.

Under a foreign government, the question of the language in which the business of government is transacted assumes an important form and is often a difficult and debated point of policy. Although in the initial period the language of the Moghul Empire remained the vehicle of official business in India, it was soon replaced by English for purposes of both official administration and education. Whether the adoption of English as a language of education and administration has in the event been a success or not is a question on which widely different opinions are still expressed. But one thing is clear; now that the British element in the services has left the country, the continued transaction of official business in English is proving a handicap. The standard of expression in official reports in India written in English has shown marked deterioration in recent years. The language used is too often clumsy, obscure and prolix. If the language in which official thinking is expressed deteriorates in quality, it reacts on administration itself in the same way as bad handling of the medium of instruction.



reacts upon the standard of education. A good illustration is the Report of the Official Language Commission. The strongest argument in that report in favour of the displacement of English as the official language of the country is the quality of the English in which the report is drafted.

The sense of unity which nationalism evokes is essential to democratic government. Without a consciousness of common interest and mutual affinity, no government by free discussion can work successfully. This is the day of nation states and at no period in history that one can recall, not even in the hey-day of nationalism in the 19th century in Europe, have the problems thrown up by the existence of nation states been so prominently before the world. In its modern form, particularly since the French Revolution, nationalism has been identified in the popular mind with the traditions of political liberalism in Western Europe. Today, the regions in which nationalism is an active and aggressive force are the Middle and Far East and Africa. The manner in which it works in these new areas seems to suggest that nationalism is not necessarily a liberal force but that it is capable of providing a basis for naked authoritarianism. What makes the sense of nationality an operative force in any country in the last resort is a spirit of opposition to or at least of distinctness from other countries. It is the existence of Israel that provides much of the motive force in Arab nationalism. It is similarly European colonialism which provides the motive force for nationalism in Asian and African countries. If the strength and prestige of a country as compared with other countries similarly situated are promoted by form of government which is not based on political freedom but on despotic rule exercised by the personality of an outstanding national leader, then nationalism takes the form which it assumed in France under Napoleon—a despotism supported by or acquiesced in by the will of the people.

The phenomenon of nationalism providing the foundation of totalitarian government is not without practical interest to India and to other countries in Asia and Africa. Economic development in the face of the lethargy and inertia of centuries will take a longer period to achieve under a democratic government than countries in need of development can afford. Meanwhile the ambition inspired by nationalism to match a country's strength and influence with those of more fully developed countries provides an almost irresistible motive to cut short the slow and tedious processes of democratic planning and development. How long a democratic government can provide a stable basis for economic development under these conditions is difficult to determine or forecast. An effective democratic leadership in an under-developed country and a willingness on the part of other

countries committed to the democratic way of life and having greater resources to assist it may prevent or postpone the eventual culmination of nationalism in despotism. In many countries nationalism has discarded the traditions of political liberalism and what will happen in the coming years in countries where the choice has not yet been finally made will depend on the judgment, resourcefulness and courage of democratic leadership abroad as well as at home.

Freedom is an ultimate good, but the way to freedom is hard to tread and is full of pitfalls. We are now a free people which we were not until a decade ago. But has freedom raised the quality of our life and has it made government more efficient, honest and just? The answer at present is doubtful. Decisions are now more difficult to reach, political canvassing is breeding corruption, the influence of ministers is beginning to demoralise the permanent services. When an organic government is also a free government, administration is not rendered easier but infinitely more difficult. It is true to say that on the whole confidence in the disinterestedness and efficiency of administration is waning all round. The time for final judgment is not yet. It is obvious that a period of transition is before us of which the end is not in sight.

We are dependant for our economic development on substantial aid from countries more developed than ourselves. The aid we are receiving in generous measure from them is largely motivated by political considerations because in the present shape of things in the East, India is the most effective counter-weight to communism. This does not create any immediate problem for us so long as no commitments in return for the aid are required of us as regards our political affiliations. It remains true, however, that when we accept assistance in the full knowledge that the assistance is proffered on the assumption of a particular political attitude on our part, we must be prepared to face situations which may cause us embarrassment hereafter. When the giver does not conceal his motive and the recipient is fully aware of it, continued acceptance of foreign aid will act in due course, if not technically at least morally, as a restraint on the recipient's freedom of action. We are no doubt borrowing funds from abroad on a business basis but the scramble for international capital is so severe today that to be accepted as a customer is itself a mark of favour.

In no sphere of administration perhaps is the difference between the old regime and the present more marked than in finance. The practice of budgeting for a deficit is now so generally accepted that the tests applicable to a balanced budget of the orthodox type are no longer relevant. The two world wars made deficit finance for war purposes so



unavoidable that its application to normal peace conditions represented no serious departure from accepted practice. Economic development is as important to the welfare of undeveloped states as war supposedly is to the security of the older and more developed states. The adoption of deficit finance as a normal method of raising budgetary resources has led to results the precise implications of which for the future of the state are difficult to estimate. One result is to lessen in the mind of government and of parliament the importance of exercising effective control upon expenditure. At a time of large and rapid economic development especially in the public sector the feeling that a large part of the resources required would come from money created by government minimises the role of prudence and thrift in public finance. The principle of rigid control of expenditure was overdone under the old regime but there is little doubt we have now gone far the other way under the influence of the facile philosophy that the pace and extent of development should be determined by requirements rather than by resources. While large sums of money are expended on planned development and its success is measured from time to time by the expenditure incurred, the doctrine that public expenditure should be kept under the closest scrutiny loses much of its force. To one who has worked under the old system of government as well as under the new, there is nothing that represents so big a difference in outlook between the two governments as their attitude to public expenditure.

While the size of our development programmes necessitates the provision of more resources than we can secure by taxation and voluntary borrowing, the increased dependance in developmental schemes on the expansion of the public sector renders the situation difficult in another way. What the socialistic pattern of society implies is that while in the old days the stimulus to the creation of more purchasing power and greater expenditure came from private enterprise under a policy of moderate taxation, in a socialistic society the stimulus is assumed to come from increased public expenditure based on a policy of heavier and more extensive taxation. The incentive to effort is becoming gradually less and the spirit of individual enterprise and initiative which motivates an economy by whatever label it is called is held in check. Whether justified on a close analysis of the facts or not, the idea gains ground that in a society working on the socialistic pattern, the individual exists for the state rather than the other way round. As far as individual citizens are concerned, they are losing inch by inch to the state the freedom they have won from foreign rule.

When I recall my impressions of the old government and the new, I feel that the difference between the two, alike in spirit and in

achievement, is greater and more clear-cut than I should have expected before Independence. Speaking with the utmost objectivity, I have no doubt that the movement for political freedom has been worthwhile and that not only in what it has accomplished but also in the promise it holds for the future, it represents a landmark of high significance in our history. It would, however, be unhistorical to deny that the work done by the old government provided the essential foundations on which the India now shaping before our eyes is fashioned. Those foundations were laid by men whose interest in their work was purely objective and of somewhat limited range but who set about it with a degree of ability and efficiency unsurpassed at the time. It was not a dynamic government nor a long-sighted one. It was a government that lived for the day and it did each day's work prosaically but thoroughly. It was an impersonal government which did not love the people nor asked for their love but did its work from a sheer sense of duty.

We are emotionally bound to the present government as we never were to the old. But whether each one of us reacts in favour of or against it, we feel it belongs to us. We do not claim that its members are a superior lot of men in ability or character but we know we have a proprietary right over them which entitles us to move them around or throw them out as we think fit. Not all of them do an honest day's work in return for the wages we pay them or the power we have vested in them. But the work they accomplish is nevertheless substantial and in the short period of ten years have done as much as any government have done in a comparable period of time. The sense of belonging to one another and of being answerable to one another can achieve much in the administrative field although the level of ability and character of those concerned is not high. We are generally satisfied with the present government but there are times when we feel sorely troubled and think that we have taken perhaps too great a risk in putting them in power. But the former feeling predominates and we know that although there are risks and difficulties ahead, we shall be able under their stewardship to walk safely along the brink of an unfathomable future.

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## FINANCIAL CONTROL OVER EXPENDITURE IN THE CENTRAL GOVERNMENT

*M. S. Ramayyar*

THE Financial Rules of the Central and State Governments postulate that the financial powers of Government which have not been delegated to any other department or authority vest in the Ministry of Finance/Finance Department. This provision is derived from the codes that were in force prior to the reforms of 1935 and which applied both at the Centre and the States. It is now deemed to have been made under Articles 77(3) and 166(3) of the Constitution which authorise the President and the Governors to make rules for the convenient transaction of the business of the Government of India and the Governments of the States. The delegations made to administrative departments and subordinate authorities, which till recently were very limited in scope, are contained in the Financial and Service Rules, Book of Financial Powers and various codes and orders issued from time to time by the Central and State Governments.

The limited scope of the delegations to administrative departments and subordinate authorities did not attract special attention so long as the bulk of government expenditure related to administration with a pronounced emphasis on law and order and defence. In such circumstances provision in the budget estimates did not also present any special difficulties. With the adoption of the policies of a Welfare State and the consequent need for meeting the requirements of planned development with a view to the speedy and efficient execution of schemes and projects and utilisation to the maximum advantage of the financial resources of Government, the problem of removing bottlenecks and bringing about improvements in public administration to better fit it for the new role has latterly come in for attention and comments from time to time.

### II

In April 1951, Shri Gorwala in his Report on Public Administration observed :

"The Finance Ministry, it is said, centralises in itself the power of sanction, and even for small amounts of expenditure



the administrative departments have to go to the Finance Ministry."

He suggested that the possibility of enlarged delegation should be investigated. He deprecated unnecessary interference either by the Finance Ministry with Administrative Ministries or by Administrative Ministries with Heads of Departments. He advocated that officers chosen for the Finance Ministry should have some experience in Administrative Ministries or appointments.

Two years later, *i.e.*, in 1953, Dr. Appleby in his "Report of a Survey of Public Administration in India" drew attention to "an astonishing lack of capacity and/or facilities for administrative delegation" in the existing structure. He observed that "Financial control is more effective and more appropriate, leaving within wide limits the deployment of money available subject to administrative discretion which is essential to responsibility." He deprecated "too much control of detail, too much preoccupation with 'saving' rupees and too little with larger effectiveness" and was concerned that "Review...was too much in the hands of persons remote from action and programmatic realities." He thought that there was too much scrutiny before the fact and too little systematic review and scrutiny of action after the fact.

Dr. Appleby in a later report in 1956 "Re-examination of India's Administrative System with special reference to administration of Government's Industrial and Commercial Enterprises" pleaded for more delegation to subordinate programme agencies and considered that the need for delegation of powers was the worst shortcoming of Indian Administration, that delegation enlarges and enhances responsibility, that delay is highly wasteful, retards plan objectives and is particularly tragic when it is based on triviality or downright ignorance, that the primary responsibility of Finance should be to encourage and stimulate good budgeting, that review should be high level and elevated to concentrate on matters of real importance and not be petty and frustrating, that the Ministry of Finance should decide broadly how much of Government's limited funds can be made available for a particular programme and should have little further role in the specific allotment of funds to various parts of the programme, that adequate finance and personnel staff should be provided wholly responsible to the management and programme minister and financial and budgetary competence within the paramount ministries developed. He repeated his criticism that there was too much sharing of responsibility before the fact and too little review in appropriate terms focusing attention after the fact.

The Estimates Committee in its Ninth Report 1953-54 on administrative, financial and other reforms, among other things, made the following recommendations regarding the responsibilities of the Ministry of Finance *vis-a-vis* Administrative Ministries in regard to approval and execution of schemes:

“After a scheme is concurred in from the financial point of view by the Ministry of Finance, the detailed execution of the scheme and spending of money thereon should be the responsibility of the administrative Ministry concerned which should also be given power to vary or alter the amounts under the sub-heads of the scheme so long as the total outlay is not affected.

“After the administrative Ministry and the Ministry of Finance have approved the scheme, it should be included in the Budget Estimates of the Ministry concerned; and thereafter there should be no further sanction or embargo on reappropriation within the various sub-heads of the scheme so long as the total amount of the scheme is not exceeded. ...In case the plan has to be revised and further money is required, the concurrence of the Ministry should be obtained before the additional money needed for the scheme is included in the Budget or Supplementary Estimates.”

Even before the issue of Dr. Appleby's Second Report the problem of delay in the execution of projects again got highlighted by recommendations to the Prime Minister made early in 1954 by Shri Asok Chanda, the present Comptroller & Auditor-General, who was then Production Secretary. Proposals on similar lines were also made by him in an Appendix to the Central Government Audit Report (Civil) 1955 and have been dealt with in great detail by the Public Accounts Committee (Second Lok Sabha) in their Eighth Report (1957-58).

The recommendations made by the Comptroller & Auditor-General were :

- (a) The budget should continue to be compiled on the present basis but should be considered as only the budget plan to give the Parliament a broad picture of the Government's scheme of expenditure. Demands for grants should be based on—
  - (i) standing charges, including maintenance;
  - (ii) expenditure on current projects; and
  - (iii) a small provision for each new project,

Supplementary demands should be presented as and when schemes mature sufficiently and are ready for execution.

- (b) Financial scrutiny should be in two parts :
  - (i) Broad and overall scrutiny located in the Finance Ministry; and
  - (ii) Detailed scrutiny, at expert level, located within the administrative Ministries.
- (c) The administrative Ministries should be provided with internal Financial Advisers drawn from a panel of officers with financial experience (as approved by the Finance Minister). Technical advice should be made available by suitable adjustment in the strength of the present Industrial Advisory and Development Wing under the administrative control of the Commerce and Industry Ministry. This organisation should be treated as a common pool for purposes of giving technical advice to the administrative Ministries.
- (d) The Planning Commission should fulfil its responsibility of reviewing quarterly, the progress of projects included in the Plan, in consultation with the administrative Ministries concerned. Default or failure should be brought to the notice of the Chairman, Planning Commission, for such action as he may consider appropriate.
- (e) In lieu of the Centre rendering financial aid to the States for a proportion of the expenditure in *all* the approved schemes, they should accept full responsibility for a specified number of such schemes, up to an equivalent amount. Programme Advisers should be required to report that the remaining schemes have been undertaken by the States out of their own resources.
- (f) Detailed scrutiny of States' schemes should be discarded. The examination by the Centre should be confined to :
  - (i) A broad administrative scrutiny by the Ministry concerned and the Planning Commission, to ensure that they fall within the framework of the Plan; and
  - (ii) A broad financial review based, mainly, on the certificate of the States Finance Department, that the schemes have been drawn up in accordance with standards, schedule of rates, etc., prevailing in the States and as are applicable to States' schemes.



- (g) There should be de-concentration of authority in favour of Executive and Project Officers at all levels appropriate to their responsibilities and status.
- (h) Internal Finance Officers should be associated with the delegation of authority, wherever necessary.
- (i) A schedule of sanctions should be prepared by every officer for submission to the authority immediately superior to him, to enable a review of the manner in which delegated powers have been exercised.

He contemplated Finance Officers being interchangeable at suitable intervals, between Finance and other Ministries which would assist the building up of a corps of officers who could fill both administrative and financial posts with equal facility. Finance Ministry was to continue to be responsible for rules and regulations and for observance of uniformity in the scales of pay and allowances and other conditions of service throughout the structure of Government machinery. In the United Kingdom also, where similarly there has been a tendency to put greater responsibility on departments and relax Treasury control, it has been considered that those functions should continue with the Treasury. Prof. Samuel Beer in his "Treasury Control" observes as follows :

"While the Treasury has relaxed in detail its control over complements and gradings, control over the second main branch of establishment work, conditions of pay and service, remains absolute and comprehensive and, it may reasonably be argued, must so remain if a unified civil service is to be maintained. The responsibility of the divisions charged with these duties—Establishment General, Professional, Superannuation and Manning—is to see that no changes are made in the code of pay or other conditions of service in any part of the civil service except on the initiative or with the concurrence of the Treasury."

The problem of delegation of financial authority to administrative Ministries and subordinate authorities and in what respects the control of the Ministry of Finance can be abridged, abated or more intelligently applied in the interests of greater speed in the execution of schemes has also been dealt with other problems by Shri Asok Chanda in his admirable and thought-provoking book "Indian Administration".

The Public Accounts Committee generally endorsed the Comptroller & Auditor-General's proposals. They discountenanced the making of *ad hoc* lump provisions in the budget estimates. They held

that in the case of a new project, no provision should be made in the budget estimates unless the Finance Ministry was satisfied on the basis of details available that there was reasonable expectation of expenditure materialising to the extent proposed. Once budget provision is made and approved by Parliament, the administrative Ministry should have freedom to incur expenditure without having recourse to consultation with the Ministry of Finance, so long as the budget provision is not exceeded and there is no change in the scope or total cost of the project.

The Estimates Committee in its Twentieth Report 1957-58 published about the same time expressed similar views as the following extracts from the summary of their recommendations will show:

“It is necessary that the administrative Ministries should submit their respective schemes to the Ministry of Finance for inclusion in the budget only when all relevant details necessary for having a sufficiently clear picture of a particular scheme have been worked out. For this purpose the prospective schemes should be processed throughout the year so that the rush at the time of the preparation of the budget is avoided.

“It is necessary that a procedure should be evolved whereby the necessity of a further sanction after the budget should be done away with and also whereby an assurance would be given to the various authorities including the State Governments that in respect of funds provided for approved projects, the unspent amount would be available in the next financial year.”

### III

It will be interesting to mention that in the United Kingdom also, since the time the Haldane Committee in 1918 reached the conclusion that “on the whole, experience seems to show that the interests of the taxpayer cannot be left to the spending departments”, the progressive growth in the proportion of Government expenditure to the national income and the fundamental part it plays in the economy, led to these interests being progressively entrusted to a partnership between the Treasury and the Departments and grant of increasing responsibility to the spending Departments. It came to be recognised that the person who was responsible, subject to the Minister, for policy must also be the person answerable to the Public Accounts Committee for seeing that policy was carried out with due regard to economy. Thus the rule that the Permanent Secretary of the Department should also be the Accounting Officer got established by the late 1920s. The

Permanent Secretaries are held responsible not only for the correctness and propriety of the expenditure of their Departments but also for the efficiency and economy of their administration, and are required to ensure that the financial branches of their Department are so organised as to provide adequate control of the expenditure of the funds for which he is responsible. As a corollary Treasury control is exercised in consultation with the Departments on broad and general lines with a wide entrustment of responsibility to Departments in matters of day-to-day activities. Even as such the Committee on Treasury Organisation under the chairmanship of Sir John Woods in 1950 said "that the time had come for some movement in the direction of greater delegation, particularly in relation to individual projects which form part of a settled programme." The Select Committee on Estimates (1957-58) in their Sixth Report—Treasury Control of Expenditure—agreed with Sir John Woods for "a move, but not a *dash* towards more freedom for Departments". It emphasised the importance of encouraging a sense of financial responsibility in spending departments at all levels. It agreed with Sir Warren Fisher that the Treasury should not act "as the single-handed champion of solvency keeping ceaseless vigil on the buccaneering proclivities of the Permanent Heads of Departments" but that the Treasury and the Accounting Officers "should work together as a team in the pursuit of economy in every branch and every detail of the public service."

It recommended an increase in the delegated financial authorities of spending departments, particularly in relation to projects specifically forming part of agreed programmes or fully covered by previously determined totals of expenditure, provided that the following criteria are satisfied:

- (a) that the expenditure forms part of a specific policy decision that has received Cabinet or Treasury approval or is a matter of detailed administration;
- (b) that no significant economies have been secured in recent references to the Treasury within the limits to be delegated; and
- (c) that either the raising of the financial ceiling will not remove the whole of a major field of Departmental expenditure from the Treasury's control or will not remove their control over major production orders or other projects which form a significant part of the total expenditure of a Department.

The Committee also recommended that unlimited power should normally be delegated to Departments to incur expenditure,



within the estimates, on minor projects and services. It favoured the delegation of full powers to all Departments in respect of "write-off" of losses, *ex gratia* and extra contractual payments but that periodical summaries of the ways in which these powers have been incurred should be made to the Treasury. It emphasised that even in the delegated field the Treasury has a continuing duty and should take continuous interest to see that Departments have themselves effective methods of controlling expenditure and are exercising that control with diligence. Treasury should also conduct reviews of delegated authority from time to time and not overlook the fact that static estimates for well-established services may merit as close an examination as rising estimates for expending services.

The Committee favoured a little more Treasury control on grants-in-aid and on the costs of procurement orders placed by the Ministry of Supply on behalf of the Service Departments. It conceded the Treasury's right to require all new items and new services to be referred to it for sanction even though the proposals may have been prepared by Departmental Officers who may have spent their entire working lives dealing with that subject or may relate to highly technical projects submitted by technical experts. Notwithstanding certain drawbacks in reliance on layman for sanctioning such proposals, the expert, they observed, is inevitably an enthusiast, with a deep conviction of the importance of his work; the Treasury layman is detached and can judge the proposal in the context of the claims on expenditure by other experts in other Departments. It may also be beneficial to require the expert to justify his claim for money to a man of general common sense and broad understanding. Furthermore, it would be a mistake to assume that the lay critic is an ignorant critic. From the moment he comes into the division the good Treasury Officer will have steeped himself in the problems and experience of the Department with which he deals.

Since this kind of criticism is frequently voiced in this country, the Committee's observations are of particular interest to us and should lead to a better understanding between the technical men on the one side and departmental men and the lay Finance man on the other as to their respective roles so that there may be no feeling of irritation or frustration on the part of the former when subjected to cross-examination by Finance on projects to which they have given the most careful scrutiny and the latter may be put on guard against meticulous control and too 'niggling' criticism of proposals.

#### IV

The observations of various persons and authorities regarding the crying need for wider delegations led the Government of India to consider early in 1955 details of further delegations to administrative Ministries and subordinate authorities. Those delegations under the Book of Financial Powers, General Financial Regulations, Fundamental and Supplementary Rules, and Civil Service Regulations, etc. were all later embodied for convenience in a pamphlet issued by the Organisation & Methods Division of the Cabinet Secretariat in 1957 "Financial and Cognate Powers delegated to Ministries and Heads of Departments". While admittedly these enhanced delegations were helpful in speeding up day-to-day administration of departments, they were not conceived broadly enough to lead to greater efficiency and speedier implementation of schemes, programmes and projects. This was, however, done in August 1958 and a reference to it was made by the President in his address to Parliament on February 9, 1959 opening its Budget Session in the following:

"My Government have recently made certain important changes in regard to arrangements for budgeting and financial control over expenditure from the Civil Estimates in order to secure a speedier implementation of our development plans, the administrative Ministries have been given wider financial powers to issue expenditure sanctions to schemes which have been included in the Budget estimates after scrutiny by the Finance Ministry."

The revised arrangements for budgeting and financial control provide as follows:

Regarding budget,

- (a) Provision for standing charges and maintenance and repairs will continue to be made as at present. The administrative Ministries will send the estimates to the Finance Ministry for scrutiny and acceptance and inclusion in the budget estimates.
- (b) Proposals will be made for expenditure on temporary establishment and connected items like travelling allowance, contingencies, etc., as at present on the basis of broad estimates of requirements and sent to the Finance Ministry.
- (c) For specific schemes and projects which have already been examined in detail by the Finance Ministry and sanctioned, budget provision will be made on the basis

of the estimated requirements of the administrative Ministries under the usual sub-heads.

- (d) For new works projects, budget provision will not be considered except for schemes for which administrative approval has been accorded. In the case of large projects, the scope and the cost of which have been accepted as a whole, administrative approval may be accorded in stages for different portions of the project, if necessary. The budget provision in any particular year will, however, be based on the actual requirements of the year. Provision will be made under the usual sub-heads in the budget.
- (e) For new schemes, other than purely 'works' projects, provision will be made in the budget only on the basis of a broad picture of requirements in suitable details furnished by the administrative Ministries and accepted by Finance.
- (f) No lump sum provision will be made in the budget except for minor works and for petty temporary establishments. Where a new scheme is planned to be taken up in the budget year which has been accepted in principle and for which details necessary for budget provision under sub-para (d) or (e) above are not available, budget provision will be limited to the requirements for preliminary expenses and for such initial outlay as for example, on collection of materials, recruitment of skeleton staff, etc.
- (g) To enable the Finance Ministry to make provision in the budget in accordance with sub-paragraphs (b) to (f) above and avoid rush of work in the budget season, the administrative Ministries should regulate throughout the year the consideration of schemes for which budget provision in the next financial year would be required and put up their proposals to the Finance Ministry as and when they are finalised by them.

Regarding delegation of powers, the executive orders of August 1958 have been followed up by the promulgation in December 1958 of the "Delegation of Powers Rules, 1958". Subject to some general limitations wide powers have been given to administrative Ministries, Administrators and Heads of Departments. Their powers to create permanent and temporary posts and to incur contingent and miscellaneous expenditure have been considerably enhanced,



Full powers have been granted for appropriations and reappropriations subject to the expenditure being within the scope of the grant with certain restrictions for prior consultation with Finance, as for example, if the reappropriation is from the primary unit "Major Works" to any other unit, or if the reappropriation augments the provision under Pay of Officers or Establishment, or under the primary units under which provision is made for a scheme by more than 5 per cent or Rs. 1 lakh, whichever is less. Departments of the Central Government are empowered to sanction expenditure on any scheme, the total outlay on which does not exceed Rs. 50 lakhs. Departments have full powers to sanction loans and grants-in-aid in accordance with rules prescribed in consultation with Finance and general control of Finance regarding rates of interest and period of repayment of loans. Departments can enter into contracts or make purchases if the value does not exceed Rs. 25 lakhs or there are special features as negotiation or single tender up to Rs. 10 lakhs or for proprietary articles up to Rs. 5 lakhs and so on.

Powers for writing off losses have not been enhanced to the same extent as other powers as such cases do not directly affect the main object of speedier implementation of development plans and in the interests of efficiency it may be necessary for Finance to pay closer attention to them.

Periodical reviews of staff position of the Ministries by the O & M Division of the Cabinet Secretariat and the Economy Unit of the Finance Ministry are contemplated in these revised arrangements. In the United Kingdom the O & M Division is under the Treasury.

## V

As part of the scheme of delegation of additional powers to Ministries, officers of appropriate status are now posted to each Ministry with such supporting officers and staff as may be necessary to give financial advice to that Ministry. These officers are designated as Financial Adviser, Deputy Financial Adviser or Assistant Financial Adviser as the case may be and have appropriate *ex officio* secretariat status in that Ministry. These officers and their staff form the Finance Branch of the administrative Ministry concerned and are employed solely on financial, budgetary and connected work. They are associated with the formulation of proposals for inclusion in the budget from their inception and consulted in all financial matters involving the exercise of the enhanced powers now delegated or matters requiring reference to the Ministry of Finance. They also assist the Ministry in the control of expenditure against appropriation. It is

open to the Ministries to consult the financial adviser even in the field in which they at present exercise full delegated powers, but only those financial sanctions which are issued by Ministries in exercise of the additional powers now delegated have to be endorsed to audit over the signature of any officer of the Finance Branch specified above. Sanctions issued by Ministries under the powers previously exercised by them continue to be endorsed direct.

All cases in which the advice tendered by the Financial Adviser of the Ministry is not accepted have to be referred to the Secretary of the Ministry for orders, and if the Secretary also differs from the advice, the case has to be brought to the notice of the Minister. A monthly statement of the cases, if any, where the Financial Adviser's views have not been accepted, giving a summary of the differences and the final decision is forwarded by the Secretary of the Ministry to the Finance Ministry, Department of Expenditure, for information, a copy being endorsed to the Comptroller & Auditor-General of India simultaneously.

The system of Internal Financial Advisers under the control of the Administrative Secretary in Civil Departments is a recent development. It recognises the need for the departmental secretary having individual responsibility for the efficient and economic administration of his charge and at the same time he is to discharge that responsibility, he should have informed and constructive criticism flowing from within his Ministry from persons who are familiar to a degree that no external finance can ever be, with the peculiar difficulties of the administrative side of operating Ministry which arise in the formulation and execution of schemes. Until such time as accounting responsibilities are decentralised and come to be vested in the administration, which involves intricate and complicated problems, the Internal Financial Adviser is expected to devise such technique as is best suited to enable him to watch the progress of expenditure. He should assist in the formulation of valid and defensible budget estimates, in projecting forward expenditures, in keeping expenditure within the limits of appropriation and give guidance in keeping expenditure up to the level to reach plan objectives. Since the system is modelled on that obtaining in the United Kingdom it would be best here to quote *in extenso* from an illuminating paper on "Departmental Financial Control" by Mr. A.S. Marre, Under-Secretary for Finance, and Accountant-General, Ministry of Health, in the United Kingdom.

He says :

"The duties of the Finance Branch are on the whole wider and more interesting than those of the Accounts Branch; in particular it is its

duty to see that financial considerations are given full weight in the formation of policy and to consult with the Treasury whenever necessary in so doing.

“What is meant by seeing that financial considerations are given full weight in the formation of policy? I think there are two main aspects :

- (a) Taking into account not only the merits (including the cost) of a particular proposal and the other expenditure which the Department has already incurred or to which it is committed, but also the general financial position of the country, is it reasonable to proceed with the proposal?
- (b) If it is reasonable, is the proposal one which is calculated to secure the best return for the money to be spent?

“The job of the Finance Branch is to make sure that these aspects are properly considered before a final decision is taken. It is a positive, and not a negative, function. The Finance Branch does not, and should not, have the last word; but it should and does, see that decisions are taken after full consideration of possible difficulties, alternatives and objections.

“It is not unfair to ask why a separate Finance Branch is necessary at all. Ought not the administrators themselves to be left to ask themselves the kind of questions mentioned in the preceding paragraph, and to settle the policy to be followed only when they have answered them satisfactorily? In theory the answer is yes. In practice, it does not—at any rate not always—work out like that. An administrator may tend to be an enthusiastic advocate of a particular policy, so much so that he may tend not to attach sufficient weight to the cost which it involves. He will often need some brake. Again, immersed as he is in the general issues of policy which arise, he has not always the time to familiarise himself with the full financial background to the Department's activities or with the different kinds of financial yardstick which can be applied to various projects. Moreover, he may tend to allow his judgment to be influenced unduly by the Department's professional advisers, who may concern themselves little with questions of cost. The Finance Branch by its constant preoccupation with the one branch of work and by its regular contacts with the Finance Branches of other Departments and with the Treasury, acquires a specialised knowledge which is bound to help it to make a positive contribution. For example, it can advise on the kind of statistics which ought to be got out if possible to measure the financial results of the policy;



on the proper interpretation of such statistics; and on possible ways of improving them. From its independent standpoint, it may be able to point to alternative courses of action which might cost less money and be of little, if any, less value than a proposal which a particular Division is anxious to press on with. It may be able to anticipate difficulties or objections which the enthusiasm of the administrator may have minimised or overlooked. And it should always have prominently in mind the rate of expenditure already being incurred by the Department as a whole, since the development of a service may well have to be postponed if the money is not available within the total sum voted by Parliament. The powers that be are sufficiently seized of the value of having a separate Finance Branch, to have given the head of the Branch a special position not that in practice he much wants or needs to take advantage of that position—indeed it would be an admission of failure to secure sensible working arrangements within the Department if he did.

“All this is not to say that financial consideration must be the preoccupation of the Finance Branch alone. It is the administrators who ultimately spend the money; and it is they who must be persuaded to save it. It is indeed an essential part of the job of the Finance Branch to keep the administrative divisions finance-conscious. The more they succeed in this, the less troublesome will be the duties of the Finance Branch. In a recent paper, the Comptroller & Auditor-General suggested that the existence of strong Finance Branch might tend to weaken the sense of financial responsibility that should exist among administrators. That is not my own personal view. I think the two go largely together; and a strong Finance Branch and a strong sense of financial responsibility among the administrators is the ideal position to attain. Both sides have to work together as a team, with joint discussion from the very earliest stages of the development of policy, and if either overshadows the other too much the result is almost bound to be unfortunate. At the top of the Department, administrative and financial responsibilities are joined together in the Permanent Secretary, and the closer the link between the officers in the different branches, the easier it becomes for him to discharge that responsibility.

“I would myself, with this in view, like to see more interchange between the administrative and Finance Branches. A sense of economy and financial responsibility cannot be the monopoly of any individual or Branch, and the more people we can train to look at this as well as the other aspects of policy, the more useful it is bound to be.

“Regular contact is maintained between the Finance Branch and the Treasury. Apart from satisfying themselves that public money

is being spent with strict propriety, the Treasury have the responsibility for doing, from the wider national standpoint, what the Finance Branch does within its own narrower field—that is, in particular, to try and ensure that value for money is being obtained in the policies being followed and that the resources made available to the Department are being used wisely and prudently. This involves regular correspondence and discussion between officers of the Finance Branch and the Treasury, not only at Estimates time, when the detailed proposals of Departments for the next financial year—put forward after the Finance Branch have vetted the proposals of the administrative Divisions—are examined, but whenever, for example, a new departure from policy is proposed, whenever a new or unusual point of financial difficulty crops up, and whenever it is proposed to take any action involving expenditure greater than that within which the Treasury have authorised the Department to act at its own discretion.”

## VI

It will be seen that the revised arrangements cover most of the field in which there has been criticism of late by various authorities. They, however, cover only civil expenditure. Enhanced delegations further down at various executive levels are also envisaged as an essential part of the revised arrangements. Further, experience alone will show how far restrictions still in force over delegated powers can safely be removed. Even what has been done now marks a very material and significant change from the traditional system of financial control and has to be appreciated in the light of what the Prime Minister said in his Presidential address at the annual meeting of the General Body of the Indian Institute of Public Administration. He observed “Any country which is traditionally minded in regard to various matters including administration, is doomed in a rapidly changing world.”

As stated earlier, the revised arrangements are only in respect of civil expenditure. In respect of railway expenditure, by virtue of the inclusion of the Financial Commissioner for Railways as a member of the Railway Board, the Railway Board already exercises full powers of the Government of India in regard to railway expenditure. The Financial Commissioner has the right of direct access to the Finance Minister and can insist on the implementation of any decision of the Board involving financial issue with which he may not be in agreement being deferred till he has taken the directions of the Finance Minister.

In respect of Defence Expenditure, the Military Finance Department was even before Independence organised differently from the

Ordinary Branch. The Military Finance Department worked in close association with the Services Headquarters, in a number of respects more as the Internal Financial Advisers in the civil departments are expected to do now, though their allegiance was to the Finance Member. These arrangements by and large continue to be in force except that the Ministry of Defence have come to take an increasing share as intermediary between the Services Headquarters and the Finance consequent on the change brought about by Independence in the position under which the Commander-in-Chief was the head of the three Services and also the Defence Member.

The following observations suggesting the extension to certain other departments of the prevailing system of financial control over Railways were made by Shri K. Santhanam, Chairman of the Second Finance Commission, while reviewing in the *Hindu* of June 12, 1958, the Twentieth Report of the Estimates Committee (Second Lok Sabha):

“Though, under the present Constitution, the Railway revenues are part of the Consolidated Fund of India, the separation convention of the British days continues to be in force. Under this convention, the Railway Minister is, subject to the overriding authority of the Cabinet, his own Finance Minister also. The Financial Commissioner for the Railways is a member of the Railway Board and, though directly responsible to the Railway Minister, he is at the same time entitled to refer to the Finance Minister any matter which deserves to be considered in the wider context of the finances of the Government of India. This arrangement has worked well and enabled Parliament to scrutinise railway finances and shape railway policy. I cannot help wishing that the Estimates Committee had boldly advocated similar separation for the strictly Central Ministries *viz.*, Communications, Production, Steel, Defence and Transport. If the presentation of documents and the budget discussion of the Ministries are modelled on that of the Railway Ministry, the Minister concerned functioning also as the Finance Minister of his department, Parliament will be able to get a grip over these vital Ministries which deal with many crores of receipts and disbursements. It will also relieve the Finance Minister and his chief officers of the responsibility of watching through the entire Budget debates extending over months to the great detriment of their own special functions. There need be no fear that the general control of the Government of India will be affected as each of these budgets will have to be discussed and approved in the Cabinet and the Financial Commissioners will have the duty to report to the Finance Minister about important developments and the right to approach him in cases of doubt or difficulty.”



A discussion of the pros and cons of the problem would require a paper by itself.

## VII

Establishment control has three facets, viz., (1) complements and gradings, (2) conditions of pay and service, and (3) organisation & methods. In the United Kingdom all these three functions are exercised in the Treasury. Over the first the Treasury has relaxed its control in detail. Over the second it is absolute and comprehensive. The third is advisory and binds neither departments nor for the matter of that other Establishment Divisions.<sup>1</sup>

In the Government of India the Ministry of Home Affairs enjoys a special position regarding "Public Service". It is responsible for regulating all matters of general applicability to all the services, in order to maintain a common standard of recruitment, discipline and conditions of service, etc. As regards the All India Services, which are organised and maintained jointly on behalf of the Central and State Governments, the Home Ministry is responsible not only for matters of a general nature but also for matters of detail. As all matters relating to service problems are settled only in consultation between the Ministries of Home Affairs and Finance, this leads to cross-references between these two Ministries and consequent delays.<sup>2</sup> The entrustment of responsibility to the Ministry of Home Affairs over Public Services in general and the All India Services in particular was natural in the period before transfer of power when the primary responsibility of Government was the maintenance of internal security. Whether the overlap of functions between two Ministries and consequent delays in service matters cannot be avoided and the United Kingdom model followed deserves early and serious consideration.

At present a Special Reorganisation Unit of the Ministry of Finance works in close liaison with the O & M Division which is under the Cabinet Secretariat. The Special Reorganisation Unit has been set up with a view to "conducting an objective review of the organisation and strength of various Ministries and other organisations. It carries out work studies involving an analysis of organisational structures, methods of work etc."<sup>3</sup> When Dr. Appleby made his recommendation in 1953 for the establishment of an O & M Division,

1. Prof. Samuel Beer in "Treasury Control"

2. *The Organisation of the Government of India*, (Published for the Indian Institute of Public Administration); Bombay, Asia Publishing House, 1958, p.81.

3. *Ibid*, pp. 64 & 339.

he considered that that Division would be "charged with responsibility for giving both extensive and intensive leadership in respect to structures, management and procedures. At one level of highly technical and specific sort, it would give attention to work measurement, work flow, office management, filing systems, space arrangement and the like; at another level it would be charged with government structural studies and proposals". While admitting that where such an administrative citadel should be located is open to argument he thought "on the whole the general strength and scope of the Ministry of Finance would rather point to locating the 'O & M' office in it". As actually organised also it is for "paying intelligent and critical attention not only to what is done but also as to how it is done and at what cost in time, labour and money and also paying attention to the design of the machine and its working processes and not merely to its end product." These authoritative quotations about the scope of the work of the Special Reorganisation Unit and the O & M Division would show that there is much in common between them. As pointed out by a correspondent in the issue of the Institute's Journal for July-September 1958 the problem as to how to integrate the work of the Central O & M Division with that of the Special Reorganisation Unit is worth careful consideration.

### VIII

Shri Gorwala in his Report on Public Administration in dealing with financial control in States observed as follows:

"What is really needed in financial matters is control and not interference. What would seem to be happening is exasperating interference in small matters leading to a great deal of waste of time, energy and frustration on the part of the administrative departments, that is, the greater part of government. This must be avoided. It is heartening to note that in the States generally, relations between the administrative departments and finance seem to be much more cordial. This is probably due to the fact that, States Secretariates being smaller and housed in one building, contact between the Secretaries is so much greater and any matter tending to become difficult can be discussed straightaway. So too, officers lower down are likely to meet more frequently and matters can be settled fairly easily. Even if the proposal is not sanctioned, since reasonable explanation is generally available, there is no feeling of frustration."

All the same it will be seen from the article "The Problem of Financial Control in the Bombay State" published in the last issue

of this *Journal* that the criticisms that the increase in Government activities and expenditure in the State has not been offset by any delegation of financial authority, that the Finance Department should adopt a more constructive, as distinguished from a merely critical, approach to the problems of finance than has been the case in the past and that the traditional approach cannot any longer be defended, apply to the State field also to a large extent. The suggestion in that article regarding the posting of internal Account Officers to all major departments of the Secretariat and offices of some of the Heads of Departments either separately or jointly with another Department and for locating officers of the Finance Department in the administrative departments may be compared with the arrangements for internal financial advice in the centre which obviously give a better solution.

The Administrative Reforms Committee set up by the Kerala Government in August 1957 also considered, among other things, "measures calculated to improve administrative efficiency for the co-ordination of the activities of the different Government Departments and for the avoidance of overlapping for decentralisation of powers at various levels with a view to expeditious despatch of Government business". The recommendations of that Committee have already appeared at pages 362-367 of the issue of this *Journal* for July-September 1958. To facilitate comparisons with the suggestions made by various persons and authorities as detailed in this article some of them are repeated here. It laid down that one of the guiding principles for administrative reform should be to delegate greater and greater authority to the lower units of administration, consistent, of course, with the necessity for centralisation in matters of broad policy. It also made the following recommendations:

"The budget for each department should show all the expenditure provided on behalf of that department. If a scheme has been included in the budget after the scrutiny of the detailed estimates by Finance then there is no need to seek fresh financial sanction after the budget is passed unless it is proposed to alter the original estimate materially.

"There should be a financial unit under a Financial Assistant or an Adviser, in the office of each important Head of the Department, who should be held fully responsible for budgeting, expenditure control, internal audit and the scrupulous observance of financial rectitude in that department. The Financial Assistants of all the departments should form a common cadre.



“Interchange of personnel between the Finance and administrative departments may be made from the level of Assistant Secretary and above.

“A non-official Standing Finance Committee may be set up to scrutinise the budget proposals before they are finalised by the Finance Department for presentation to the Legislature.

“Spending departments should prescribe quarterly targets for expenditure to avoid lapse and also heavy rush towards the close of the financial year.

“A unit for economic research whose functions should include a study of the taxation proposals and the impact of the Government’s socio-economic policies on the country’s economy should be set up in the Secretariat.”

The Committee further considered that a Minister should permit and encourage the execution of delegated authority by officers without hindrance or interference. It recommended the formation of an O & M Division in the Secretariat as part of the Public Department.

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The difficulties, solutions and outstanding matters relating to the problem of financial control over expenditure in the Centre have been detailed at some length in this article in the hope that they will be found of help in solving similar problems of financial control over expenditure in the States and will also facilitate a more critical and informed understanding of measures so far taken in the Centre.

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## ADMINISTRATIVE ACTION AGAINST DISCRIMINATION

*Marguerite J. Fisher*

**T**HE Constitution of India declares that the state shall not deny to any person "the equal protection of the laws" (Article 14), nor "discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any of them" (Article 15). Clause (2) of Article 16 states that no citizen shall, "on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State."

Nowhere in India, however, has there been the attempt to prevent discrimination in private employment through administrative commissions such as those which exist in several of the American states. These commissions have been established during the last two decades, chiefly in the North Eastern States. Since the prevention of discrimination on racial and religious grounds is a problem common both to the United States and India, the achievements of these American state commissions against discrimination provide interesting and significant subject-matter for the Indian public.

Outstanding among the American commissions against discrimination is that of New York State. Inasmuch as this state contains a number of minority groups within its population, it is not surprising that New York has pioneered in such legislation. In March 1945, a law was enacted, known as the Law Against Discrimination, sometimes referred to as the Ives-Quinn law after its sponsors in the two houses of the State Legislature.<sup>1</sup> The law became effective on July 1, 1945. The administration of this legislation since that date offers pertinent evidence and experience for other nations interested in combating problems of discrimination.

### THE NEW YORK STATE COMMISSION AGAINST DISCRIMINATION

The New York law provides for the creation of an independent State Commission with power "to eliminate and prevent" discrimination in employment, and the obligation to formulate policies to effectuate the purposes of the law.<sup>2</sup> In 1952 the legislature extended the

1. New York State, *Laws of 1945*, Chapter 118. Renumbered in 1951 without substantive change to Article 15, Sections 290-301, *Laws of 1951*, Chapter 800.

2. *Laws of 1951*, Chapter 800, Sec. 290.

enforcement jurisdiction of the Commission to include complaints of discrimination in places of public accommodation, amusement or resort,<sup>3</sup> and in 1955 its jurisdiction was extended to publicly assisted housing.<sup>4</sup> The law was designed to implement Article 1, Section 6a, of the New York State Constitution, which provides that "no person shall be denied the equal protection of the laws of this state or any sub-division thereof. No person shall, because of race, color, creed, or national origin, be subjected to any discrimination in his civil rights by any other person or by any firm, corporation, or institution, or by the state or any agency or sub-division of the state."

The State Commission Against Discrimination consists of five commissioners appointed by the Governor to serve staggered terms of five years, but with no provision for full-time obligated duty, on the ground that more able persons could thus be found to serve. The law gives the Commission power to make rules, regulations and policies consistent with the purpose of the law, thus making it a quasi-judicial administrative body. The Commission is given the responsibility of receiving, investigating and passing upon complaints within its jurisdiction. Pursuant to that responsibility the Commission is empowered to hold hearings, subpoena witnesses, compel their attendance, and administer oaths as well as take testimony under oath. It may compel the submission of books and papers pertinent to any of its investigations. To conduct its business, the Commission is authorized to appoint such attorneys, employees and agents as it deems necessary, fixing their salaries and prescribing their duties. It is empowered to conduct its business anywhere in the state.

The Commission is authorized to create regional and state-wide advisory agencies and conciliation councils, with the authority to study problems of discrimination. These community councils, as they are known in New York State, are empowered to make recommendations to the Commission on procedures and policies. A dozen of these councils have now been established throughout the state. The councils are composed of representative citizens serving without pay but with reimbursement for actual expenses.

The term "employee", as defined by the law, excludes private social clubs, fraternal, charitable, educational or religious associations

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3. *Laws of 1952*, Chapter 285, amending Sec. 292 of the Law Against Discrimination. The law forbids any agent of such places directly or indirectly to refuse, withhold or deny to any person any advantages, facilities or privileges, or to give notice that such place shall withhold its services "to any person on account of race, color, creed, or national origin, or that the patronage or custom threat of any person belonging to or purporting to be of any particular race, color, creed, or national origin, is unwelcome, objectionable or not acceptable, desired or solicited."

4. *Laws of 1955*, Chapter 340.



or corporations, provided they are not operated for private profit. An "employer", under the law, does not cover employers with fewer than six persons in their employ. The term "employee" is defined as excluding persons employed by parents, or in the domestic service of any persons. The exclusion of domestic servants was adopted on the ground that such services involved social relationships not suitable for regulation. "Unlawful discriminatory practice" was defined in the law as refusal by an employer to hire or employ, to bar or discharge or otherwise discriminate in compensation or in terms, conditions or privileges of employment. Labour unions are prohibited by the law from excluding, expelling or otherwise discriminating in any way against their members, or against any employer or individual employed by an employer.

Employers and employment agencies are forbidden by the law to print or circulate (or cause to be circulated) any discriminatory statement or advertisement, or to use any application form for employment, or to make any inquiry, which includes any direct or indirect discrimination as to race, colour, creed or national origin.

To protect individuals from retaliation for making complaints or giving assistance in the enforcement of the law, it is unlawful for any employer, employment agency or labour union to discharge, expel or otherwise discriminate against any such person.

Section 299 provides that any person, employer, labour organization or employment agency which resists or interferes with the Commission or violates its orders, shall be guilty of a misdemeanor punishable by a fine not to exceed \$ 500, imprisonment not to exceed a year, or both. Persons aggrieved by an order of the Commission are permitted to seek relief in court, and the Commission likewise, can seek an order of the court for enforcement of its decrees. To expedite judicial review, in case it is invoked, such proceedings must be instituted within thirty days after the service of a Commission order.

Any person claiming to be discriminated against may file a complaint with the Commission. Likewise, the State Industrial Commissioner or Attorney-General may initiate such a complaint. Furthermore, any employer who has employees who refuse to co-operate with the law may file a complaint asking the Commission for assistance or remedial action.

When a complaint is filed, the chairman designates one of the commissioners to make a prompt investigation, with the assistance of the staff. The staff now includes approximately a hundred persons. In practice the staff field representatives have handled most of the investigative work, but a commissioner remains personally responsible.

If the complaint seems justified, the commissioner is directed by the law to eliminate the discriminatory practice by "conference, conciliation and persuasion".<sup>5</sup>

When conference, conciliation and persuasion fail, the Commission is empowered to serve a written notice calling for a public hearing before three other commissioners, at which time the respondent must answer charges filed in the complaint. The hearing is held before three commissioners, other than the investigating commissioner, sitting in the name of the Commission. The complainant's case is presented before the Commission by one of its own attorneys or agents. The complainant is allowed to present testimony in person, or by attorney. The respondent may appear in person, with or without counsel, and submit testimony. The testimony at the hearing is under oath and transcribed.

If the Commission concludes from the evidence that the respondent has engaged in unlawful discrimination, it issues a cease and desist order pertaining to the practice under question. It may also demand affirmative action, such as "hiring, reinstatement or upgrading of employees, with or without back pay, restoration to membership in any respondent labor organization, or the extension of full, equal and unsegregated accommodations, advantages, facilities and privileges to all persons, as, in the judgment of the Commission, will effectuate the purposes" of the law.<sup>6</sup> In this provision lies the chief enforcement feature of the law.

#### THE NEW YORK STATE COMMISSION'S EDUCATIONAL PROGRAMME

In accordance with the law, the Commission Against Discrimination has stressed a vigorous educational campaign as well as legal processes, each contributing to the success of the other. To administer the educational programme the Commission has established a department of education, public relations and research. This department has relied upon a two-fold programme: first, the use of such mass media as radio, television, films and pamphlets designed to reach the average citizen throughout the state, and second, the medium of community councils to disseminate information concerning the law.

Numerous educational materials have been prepared, including films, radio recordings, speaker's manuals, pamphlets and press releases. A film was completed, entitled *An Equal Chance*, which was exhibited as a March of Time documentary. This film depicts a minority group worker who encountered discrimination in seeking employment.

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5. Section 296.

6. Section 296.

The role of the Commission in behalf of the worker is clearly illustrated in the film. This film has been given wide circulation both in public theatres and in meetings of private groups. Since 1950 the film and its sequel, entitled *Opportunity Unlimited*, have been shown on television as well as in regular theatres.

Phonograph recordings have been made of dramatizations of a number of Commission cases. Each case is presented as a fifteen-minute programme, followed by a panel discussion of the issues involved. These recordings are used in many high schools, and a manual has been prepared by the Commission for use under such conditions. The manual states the purpose of the recordings to be:<sup>7</sup> (1) to provide information about the law and the role of the Commission; (2) to encourage young people of minority groups to train for any employment they wish; and (3) to dispel unfavourable stereotypes about minority groups.

In more recent years the Commission has devoted especial attention to television programmes. In recent summers an eight-week series of half-hour telecasts has been scheduled, featuring dramatic episodes from the Commission's files.

The Commission maintains a Speaker's Bureau, publicized through circular letters and correspondence. Approximately five hundred speeches are given annually by members of the Commission staff or the community councils, to such groups as employer associations, service clubs, schools, and adult education classes. Speakers explain the role of the Commission to two minority groups in their own languages—Spanish (Puerto Ricans) and Yiddish. A continuing flow of news concerning the activities of the Commission is sent to the newspapers of the state. Up to 1959 nearly a hundred articles about the work of the Commission had appeared in periodicals.

#### THE COMMUNITY COUNCILS IN THE ADMINISTRATION OF THE NEW YORK LAW

The major function of the community councils is to secure public support for the law in the local communities. The council members consist of persons known to be sympathetic to the law, and include educators, social workers, religious leaders, industrialists, labour leaders, and representatives of minority groups. Every effort is made to secure as members persons of prestige and influence in the community. The members serve a three-year term, and are appointed by the State Commission.

7. New York State Commission Against Discrimination, *1952 Annual Report*, p. 76.



The councils assist in the processes of conciliation in pending cases of alleged discrimination, and undertake special studies of discrimination in their localities. The State Commission assists the local councils by suggesting techniques for gaining community understanding, and by the provision of educational materials.

An illustration of the work of the councils is provided by the group in Albany, New York.<sup>8</sup> The council members met with the top management of the department stores of the city, expressing concern about the absence of certain minority groups from the selling staffs of these stores. The council then approached women's clubs in the community, urging them to reassure the management of the stores that there would be no unfavourable public reaction against the employment of minority group persons as sales personnel. As a result of these efforts the first Negro salesgirl was hired by the largest store in the city. This result was achieved without recourse to the enforcement powers of the State Commission.

Another council, in Syracuse, New York, conducted a study of nurses' training schools in hospitals within the city, and found that there had been no applications for nurses' training by Negroes in recent years.<sup>9</sup> The hospitals stated, further, that they had had no applications for employment from Negro nurses, but that they would employ such nurses, if qualified. After ascertaining these facts the council decided to acquaint Negro girls in the schools of the opportunities available for nurses' training and employment. A programme of information was initiated, chiefly through the school vocational guidance counsellors, in both the elementary and secondary schools of the city.

The council in Syracuse, New York, during the first five years of its existence, created a local speakers' bureau which sent speakers to meetings of various groups in the community. It sponsored public meetings of minority groups, personnel directors, vocational guidance counsellors, labour leaders, employers and religious leaders. It arranged for Commission films to be shown in the schools and neighbourhood theatres. Displays of Commission materials were set up at public meetings and in the local libraries. The council arranged for the display of advertisements in local buses, shown without charge by the transit company. Finally, an extensive educational campaign was carried out in the public and parochial schools of the city. All high school graduates received a copy of the pamphlet,

8. New York State Commission Against Discrimination, *1953 Report of Progress*, p. 43.

9. *Ibid.*, p. 67.

*An Equal Chance.* In short, the local council was the chief source of information within the city concerning the Commission's activities.

#### THE COMMISSION'S PATTERNS OF CONCILIATION

The New York State Commission Against Discrimination has two objectives : first, to eliminate discriminatory practices against which complaints have been filed, and second, to forestall other discriminatory acts in the future by a programme of education. To accomplish these objectives major reliance is placed upon conference, persuasion and conciliation. To effectuate a conciliation agreement, the Commission insists, as a minimum requirement for settlement, upon the following : (1) an immediate elimination of all existing violations of the law; (2) a general commitment that the respondent will henceforth obey the letter and spirit of the law; (3) a requirement that the respondent display the Commission's poster in a conspicuous place where all employees and applicants for employment may see it; and (4) a requirement that the Commission be permitted to make periodic inspections of the respondent's employment practices, and that the respondent's records be available to the Commission at the time of review.

Respondents are required by conciliation agreements to disseminate throughout their establishments announcements of the management's intention to comply with all provisions of the Law Against Discrimination. It has been the Commission's policy to make periodic reviews of a respondent's practices, to make sure that he is complying with the conciliation agreement.

Experience indicates that after complaints are filed, respondents have generally been willing to agree to the Commission's requirements, and presumably thereby to be rid of its scrutiny. The annual reports of the Commission contain a section headed "Patterns of Conciliation" in which illustrative cases are discussed, with the names of the parties involved. The technique of publicity has been utilized in these cases, on the assumption that would-be discriminators would change their policies and conform to the law if they faced the possibility of such publicity as a consequence of a complaint filed against them.

In the great majority of cases the Commission has been able to secure voluntary compliance with the Law Against Discrimination through conference, persuasion and conciliation. A public hearing is ordered only when it is impossible to reach a conciliation agreement with the respondent.

## LITIGATION INVOLVING THE LAW AGAINST DISCRIMINATION

In less than a dozen cases since 1945 respondents have appealed to the courts of New York State for judicial review of the Commission's orders. One such case arose in 1954.<sup>10</sup> A Negro woman filed a complaint, alleging discrimination on grounds of colour because she was refused membership at the Castle Hill Beach Club. In the hearing the respondent contended that the club was private, and hence outside the jurisdiction of the Commission. The club in question was a large establishment, accommodating some 13,000 persons on a seasonable membership basis. The respondent club was organized as a membership corporation, but the seasonal members who used the club had no right to vote for officers or directors. The establishment was listed in the classified telephone directory under "Bathing Beaches—Public", and not under "Clubs". The establishment paid New York business taxes, and had not sought tax exemption as a private club. For some twenty years of operation no Negro had been admitted to the establishment. The president of the club conceded that the complainant had been rejected because she was Negro.

The Commission decided that the establishment was being operated as a place of public accommodation, and not as a *bona fide* private club, and hence it came under the Commission's jurisdiction. The respondent club, according to the Commission, had been organized under the Membership Corporation law of the state for the deliberate purpose of evading the Law Against Discrimination as a private club beyond the Commission's jurisdiction. A cease and desist order was served on the respondent establishment, restraining it from withholding membership from the complainant.

The respondent then appealed to the state Supreme Court, seeking dismissal of the Commission's order. In a decision of 1955 the Court upheld the Commission, declaring that the facts concerning the size and variety of facilities and mode of operation of the respondent club gave ample evidence that it was a place of public accommodation.<sup>11</sup> Determining that "all the findings of the Commission are supported by substantial proof", the Court stated that the Commission and the courts had "the power and the duty...to lift the corporate veil to ascertain the facts with respect to the *bona fides* of the petitioner."

10. New York State Commission Against Discrimination, *1954 Report of Progress*, pp. 41-49.

11. *New York Law Journal*, June 27, 1955, p.1. See also *Ivory v. Edwards et al*, 105 N.Y.S. 2d 580 (1950); *Holland v. Edwards et al*, 122 N.Y.S. 2d 721 (1953); and *Ross v. Arbury et al.*, 206 N. Y. Msc. 74 (1954), for other decisions in which the courts upheld orders of the Commission.



The foregoing case, as well as other litigation involving the Commission's orders, reveals not only that the Law Against Discrimination is well within the limits of judicial approval by the courts of New York State, but that it has been the intent of the courts to give it vigorous judicial support.

#### CONCLUSIONS

Experience since 1945 has provided abundant evidence that administrative procedures of the type followed by the New York State Commission Against Discrimination are much better adapted to the adjustment of complaints of discrimination than traditional court remedies, necessitating the expense and difficulties of litigation. Conventional enforcement of civil rights statutes through punitive action or civil damages is often impractical in meeting the subtly employed practices of discrimination stemming from emotionally charged feelings of prejudice.

The Commission's administration of the law has emphasized the prevention of future discrimination by conference and persuasion more than punishment for a past instance of discrimination based upon a complaint. An educational campaign has been combined with legal action in a dual approach to the problem. The Commission has found that widespread dissemination of information about the law and its enforcement has deterred would-be discriminators due to fear of having complaints filed against them with all the possible undesirable consequences. The direct liaison maintained by the Commission with many schools and universities throughout the state may ultimately constitute one of its most significant contributions, inasmuch as it is working with young people who may be the most receptive to the rationale of the Law.

Since the establishment of the Commission new fields of employment have opened up to people heretofore barred from such employment in New York State. The Commission has certainly expedited this development. It is worthy of note that there has been no effort to repeal the law. In fact, the regulatory jurisdiction of the Commission has been extended by legislative amendments. The few challenges of the Commission's decisions have been unsuccessful in the courts. Finally, the Commission's achievements are in harmony with basic American political principles, and in sharp contrast to the discriminatory practices currently the subject of notorious controversy in some of the Southern American states.

## THE NEW ADMINISTRATOR\*

*N. V. Gadgil*

ANY day administration is of importance. Administration is to community what grammar is to language. In other words, it means an element of uniformity and an element of certainty. If administrative decisions were to vary daily or hourly, it is no administration, it is more or less anarchy. There is nothing on which public can base any expectations and such a state of affairs is neither conducive to the stability of the Government nor the enjoyment by an individual of those rights which he considers fundamental. There must be security. There must be certainty both in administration and more particularly in administration of justice. People by and large judge the administration and through the administration the Government of the day by their own experience... Therefore, where it is desired that the administration should be good, efficient and sound, it is not enough to say that it is so but the people whose lives are affected must feel so. It is not enough to say that one is honest but he must also look so. Having chosen to be Caesar's wife, you have to be above suspicion and what is far more important is that you must look to be so.

When I say administration is important, I have two aspects of it in my mind, its mechanics and its dynamics. It is difficult to define in precise terms what the administration ought to be in free India or what the new administrator should be.... One cannot think of administration or administrator without reference to the scope of administration and functions of the administrator. Unless one has a clear idea as to the purpose of the State and the functions it has to discharge, one cannot adequately build up an appropriate administration nor can one train the administrators fully. The purpose of our state is more or less defined in the preamble of our Constitution and also in Directive Principles of State Policy.... Administration is important because it is the instrument whereby the state implements its ideals, its decisions. It also implements its political and economic philosophy through administration. The mechanics of administration, I do not propose to discuss... What matters most is the spirit and the philosophy which informs the entire administration. You may call the administration a machine but after all it is men who operate it. When I consider administration, it is not the Secretariat building, nor the bulky manuals which prescribe innumerable rules and which are amended

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\* Based on a lecture delivered to the I.A.S. Probationers in October 1958.

more often than desirable. Administration means administrators and administrators are not neutral instruments. They are human beings. A person is not a spoon. A spoon is indifferent whether it is used to serve honey or poison. There is a saying in Sanskrit, which means : "How can a spoon know the taste of what it contains?" Administrator is not so neutral as a spoon. He is an instrument of implementation of the policy adopted by the Government of the day with the approval of the legislature. He certainly is not neutral in the sense in which a spoon is neutral.

## II

It becomes, therefore, of vital importance to what extent this instrument affects the implementation process. When one considers this, the question of recruitment of administrators becomes far more important. What kind of qualification and test one should lay down in this connection, whether the test should be subjective or objective, whether doctorate here or a degree there will be enough or do we want them to be put to subjective test as is done in some countries before persons are recruited? My own view is that there should be no subjective test. If a man honestly tells his views, he may not fit in. If he does otherwise, it is morally dangerous. The best test is how much general knowledge the recruit possesses. A general standard of education can be laid down. Certain minimum educational qualifications can be laid down. These are all objective tests and our policy in this connection follows more or less U.K. traditions. It is the general knowledge that counts. We should have the general mind in preference to a specialised mind.... What really is needed is not the knowledge in a detailed way but the right approach, the right perspective with which the man analyses the problem. The expert is well up in theories. His gaze is intensive but the horizon of his knowledge is limited. What happens is that the expert is more particular about details and in fixing his attention on annas and pies, he often misses the rupee. He might count the trees all right but he misses the scent of the odour. A general mind is far more important today when the entire character of the state is undergoing radical and revolutionary change. The modern state today has a larger field for operation and for effective function. It looks after the life of the citizens from the cradle to the grave.

In such a context, a specialised mind and a narrow approach are less of help than hindrance. A person who knows most in a small field cannot have that vision, that foresight which is required for the administration of a modern state. Knowledge of economics and other



social sciences must be a necessary part of the minimum mental equipment the new administrator must possess. Administration is social engineering. It is not merely 'do something on the paper' or as mechanical as laying brick on brick, it is something more. Administration contemplates first formulation of policy and implementing the same in concrete acts... One has to be very cautious in predicting or in formulating propositions or policies in social sphere.... This measure of caution is what is to be shown not by the politicians but by the administrators as a class. The politician is always ready to outbid his rival. He must promise more than he can perform. In the emotional atmosphere before the hustings discussion is jettisoned and a balanced view is considered as a hindrance. The administrator is, in this context, the conscience of the community. He is the corrective for all the unbalanced things said by the politicians, the moderator so far as the implementation of the party programme is concerned.... In autocracy, the administrator has only to look to the source of his order and whatever the consequences of implementing that order, he owns no responsibility. He simply carries out the order. In a democracy the administrator has to take both the source of the order and its consequences.... He is not merely to carry out the orders, it is his duty to indicate the consequences of the orders or of the programme that the Ministry has decided to follow. The administrator is presumably in possession of knowledge relevant to the subject. His vast experience there empowers him to speak with authority.

Administrator with a background of knowledge and experience which relatively speaking is not available to the Minister is in a better position to advise on what is possible for implementation and what is not. His experience corresponds much more to the needs of the community than the experience of politicians. The politicians have to be in the limelight, have to bow to public opinion, current at a particular moment. That is not the case with the administrator. He has experience and it is his duty to state the facts correctly. When the facts are there, the conclusions are obvious. Facts speak more eloquently than any amount of propaganda. You have to organise knowledge for the business of the Government and when you organise that, you collect data, you collect information. This process is not meaningless nor statistics are absolutely lifeless things. You should not forget that statistics are intimately connected with the life of the community. When one has the knowledge, has the requisite experience, one has necessarily one's own views about the matters concerned. He necessarily has some conclusions and out of those conclusions a theory of action is indicated. That means policy and policy cannot be thus divorced from knowledge and experience. The more effective

propaganda is done by a clear presentation of facts and a proper arrangement of the same.

I will illustrate this. In 1937, a bill amending the Child Marriage Restraint Act was introduced by one of the Congress members in the Central Assembly. The bill provided that the age of the girl and of the boy should be raised from 14 to 16 and from 18 to 21, respectively. It provided further that there should be a provision for an injunction both interim and final and if any marriage was celebrated in contravention of the provisions of the bill, the marriage should be declared void. When the bill came for second reading, the Party moved for a reference to the Select Committee. The Home Minister speaking on behalf of the Government said that it was very much in advance of public opinion and hence the Government opposed both the bill and the motion for the Select Committee. This phrase "in advance of public opinion" is a terrible phrase. In fact you will soon find in your career that certain phrases are to be invariably found in all Government proclamations, reports, declarations, etc. Just as about a thousand words constitute basic English, about 300 phrases constitute what one may call basic phrases of the administrative chariot. The bill was both supported and opposed by various members of the Central Assembly. I was then Secretary of the Party and I had decided to participate. I had collected number of statistics from the census report of 1931. In a calm manner, I gave figures of widows below the age of one year, then two years, then three and went up to 14. I just said, "At least 6,000 widows even before the little child could utter a single word" and ended my remarks by saying if this state of affairs is acceptable and approved by the British conscience, I have nothing to say. The House then adjourned for lunch. When the House regathered, Mr. Hutton, who was the Census Commissioner in 1931 and was one of the nominated members, came up to me and congratulated me. I thought it was just usual and nothing more than that. But he added that Government had changed its views and were now agreeable to refer the bill to the Select Committee because of my speech. I ascribed this success not to eloquence but to the arrangement of data and its presentation with proper emphasis and earnestness.

The point is that whatever may be the emotions, no administration can run unless the emotional aspect of any executive act or legislation is put to proper and adequate scrutiny in terms of relevant information and experience....The Government is anxious and very rightly that all the things promised must be done within the five years' period so that their return to power once more is assured. Logically a thing may be correct, morally it may be wrong. Theoretically a thing may be correct but, in actual practice it may be very difficult to

bring about. You, as administrators, therefore, have to tell the Government politely but firmly what is possible and what is not, and if you do not do that, I honestly feel that you will not be doing your duty. It is your duty and responsibility to tell the Minister or the Government what in your views is the right decision and the right policy. The business of a good administrator is that he must tell the Minister his views freely and frankly. It is then for him to accept or reject the same. The business of the Minister is to tell the administrator the exact point beyond which people will not tolerate. Within that point the responsibility is of the administrator.

### III

The new administrator must, therefore, be firm, most fearless, must be honest, intellectually honest. Ordinary honesty must be there but what I emphasise is intellectual honesty.... It does require an amount of courage to express yourself freely and to accord your act with your thought, but because it is a difficult task it does not mean that it should not be performed. I know it is very hard for a man to work under someone who may have been voted to power but who for the job concerned is thoroughly inadequate, but this is exactly the position of administration all over the world. Having chosen the career of an administrator you have to reconcile with the fact that ability is not always in power. As I said, it is a duty which you owe not merely to yourself but to the country at large that you must give your advice freely, frankly but respectfully to your Minister. No sane Minister would just disregard it. A wise Minister will think ten times before he disregards the advice of a Secretary, a man who has grown grey in the service, one who has great experience spread over a number of years, a person who is accustomed to take decisions, a mind who is both calm and, in a good sense, of calculative type. He is bound to consider it. I just illustrate this. While as a Minister, I introduced a bill in the Central Legislature entitled 'A bill to regulate the Electricity Undertakings in India'. The bill no doubt was radical, if not revolutionary. There were many provisions entirely new but there was one provision which sought to control dividend in these undertakings. My Secretary then was Shri B.K. Gokhale, a topmost, able I.C.S. officer with 30 years experience of administration to his credit. He said to me that certain provisions were too radical and should be deleted. I argued with him, discussed with him and I promised that I would give my views later on. I thought over the matter and I came to the conclusion that I was responsible to the people for the policy but at the same time it was my duty to see that nothing was done which should end in failure and frustration. I then told him



that some modifications could be acceptable to me. He was, however, not satisfied. He then wrote me a letter warning me in very respectful language as to the consequences of certain provisions if they were finally enacted and concluded by saying that he would be failing in his duty if he did not bring all that he had stated to my notice. I wrote him back that I was greatly obliged to him for bringing to my notice certain features of the proposed legislation and assured him that every aspect of his criticism would be taken into consideration in the Select Committee meeting and added that he would have failed in his duty if he had not written me that letter and assured him in the end that the bill as would emerge from the Select Committee would be mostly acceptable to him. We had 21 meetings of the Select Committee and when the bill was passed, he wrote me to say that on the whole the bill was good. As a good administrator, Shri Gokhale brought all he thought about it to my notice and also wrote a letter and I would have been a big fool if I had resented his writing to me.

The relationship between the administrator and the Minister must be strictly confidential and if possible close and frank. It is the concern of the administrator to see that the Minister is properly briefed, is well equipped with facts and figures and that he cuts a good figure on the floor of the House. It is equally the duty of the Minister, when he is answering criticism, meeting objections, defending his policy and his Ministry, not to let down his officers. As he is entitled to take credits, he must be ready to take the kicks. If something goes wrong in the department, the officer may be punished but the parliamentary responsibility is that of the Minister. He cannot shift the same on anybody. A Minister cannot expect success for his policy when he interferes too much in its implementation. Sardar Vallabhbhai Patel once told me that a good administrator is one who chooses the right man for the right job at the right time and then does not interfere till the thing has failed. You cannot ask a man to do his job and force persons on him. He is bound to complain when he feels that the talent was his, the tools were chosen by somebody else. The Minister, therefore, must make plain to the administrator: "This is the policy. This you have to carry out". The material equipment and the choice of personnel should be entirely left to him. The responsibility of the job must clearly be fixed up. There is no need to interfere, no justification to interfere unless there is gross failure which seems to be imminent. The Minister should not interfere in matters of pure administration such as promotions and transfers unless gross injustice has been done. The Secretary has the complete picture of administration before him. He knows the mechanics of administration and it is wise for a Minister to leave a free hand to the Secretary in such matters.

## IV

As an administrator, you have more than one master. You have your Minister, you have the Legislature and you have people at large. You have to keep good relations with the Legislature, because if you are entirely cut away from the Legislature, the criticism that will be voiced there will be ill-informed, perhaps may be even ignorant. In a democracy where every party has a chance to be in the Government and where such in-and-out process works the criticism of the Government from the Opposition is normally tempered and not altogether destructive. In the meetings of the Public Accounts Committee or of the Estimates Committee, the officers and administrators do come in contact with the members of Parliament. To that extent, administrators get the contacts. They also know what the members think about the administration in a general way.

The administrator has also to cater to the public at large. Public criticism has also to be taken note of by the administrators. It is not for them to say, well, it is a matter for the Government and if Government thinks anything has to be done, the initiative must come from the Government. That is a very narrow view of administration. Public criticism must be taken notice of first by the administrators themselves. Nobody should expect immunity from criticism in these days. Even in England the civil service is not free from public criticism. To the public at large, the administrator is a person who has a big salary with little work and no responsibility. Such criticism is not well-founded but it is there even in England. In India, therefore, where political conscience and political maturity are not visible on any considerable scale, criticism of the bureaucracy is bitter and more often based on complete ignorance. When ignorance is there, misrepresentation is inevitable. It is, therefore, necessary for the administrators that they have good relations with the public at large and that is possible when the administration takes the public into confidence, educates the citizen by presentation of facts and correct picture. There are situations where Government has to take strong steps but they must be properly explained to the people and that task is the task of the administration.

A well-known English administrator said that an administrator should have integrity, industry and anonymity but today anonymity is not possible and in some spheres it may not be desirable. When development schemes are proceeding on an extensive scale, the personality of the officer in charge of these is important. He has to carry public opinion with him, enlist co-operation of the public and see that all avoidable criticism is avoided. He really becomes the centre of

nerve of all the development in the area and to be successful in that he must advertise his goods. In other words, he must give adequate publicity to the work he is doing. In a democracy nothing is steady or stable. Things have to move. People cannot merely mark time. One can understand marking time when a review of the march already covered has become necessary but it cannot be long. Political pressures are there. It is here that the administrator has another important role to play. It is here that he has to regulate the speed and see that there is no hopping. Progress is not merely a process, it is a philosophy and it is necessary for the administrators to understand that there is, apart from the mechanical aspect and movement, something far more important in the process itself. Certain non-material elements are involved and you have to understand them. When knowledge becomes part of one's being, there is a sense of compulsion, and one has to give expression, one has to act. When I find that the Government is doing something wrong and when I have the knowledge adequate enough to understand the problem, it really becomes difficult for me to sit quiet. There is a moral urge to tell it and to prevent what is wrong from happening. As you grow more and more in experience and as you add more and more to your knowledge the sense of compulsion will also grow. There is also, as Professor Graham has said, instinct of workmanship which will not permit you to do a bad thing. Where there is knowledge and experience combined with a conviction and fervour, progress is certain.

The administrator has to see that the Government which is a going concern is successfully run. Since it is a going concern, you must have a plan for tomorrow and day after also. In modern state function of the administration without planning is unthinkable and if that is so there cannot be any planning unless it is preceded by adequate and effective thinking. Thinking for the community is not the job of the university people alone. It is not the job of the politicians alone. The administrators must think also and their thinking is bound to be realistic since it is provoked by experience and strengthened by experience as it is gathered.... The administrator must have a judicial temper, a balanced approach and an aptitude to weigh pros and cons. He must be free from prejudice, conscious or sub-conscious. The administrator must be just before he is generous to any individual or class. In our democracy today the administrator must be a statesman in the sense that he must have a balanced mind. He must be a politician in the sense that he should be a realist and ready to compromise without prejudice to principles, and lastly, he must be a man of conscience who will do nothing that is wrong, unjust or unfair.



## LEVELS OF ADMINISTRATIVE CENTRALIZATION IN ECONOMIC DEVELOPMENT\*

*Bert F. Hoselitz*

I AM very grateful to the Institute of Public Administration for having invited me to give this talk, but I feel extremely modest and hesitant to present my views on administrative problems before you, especially since I am not a political scientist, and the reflections I can present are those of an economist looking from the outside at some problems of administration of economic development projects. What I should like to discuss are the nature and place of various kinds of decisions that must be made if an economic development plan is to be designed and executed, and, in particular, how different decisions in this procedure are allocated and co-ordinated among different persons.

### I

One way by which one may approach the problem of levels of centralization in the administration of economic development plans is, perhaps, by means of setting up an ideal-typical bi-polar model. In this model, two extreme ways by which the economic policy of a country can be executed are described.

On one extreme stands the practice of "perfect" liberalism; on the other, full-fledged authoritarian planning. Now, a "perfect" liberalistic system may be regarded as an ideal type, since it never really existed anywhere in the world. It is a pure construct of thought, a purely theoretical system, which seems to contain the following features: in the sphere of social action, there exists a balance and separation of powers analogous to that which was developed by Montesquieu and his successors for the fields of political action. In the system of Montesquieu, there is a balance between the executive, the legislative, and the judiciary powers of government. To this has been added a system of mutual checks of these branches of government which is designed to insure that none obtain total power and that freedom of political action be preserved. In a pure liberalistic system, three spheres of social, rather than political, action are defined which are in balance with each other. The first is the sphere of political

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\* This article is based upon a lecture delivered before the Indian Institute of Public Administration in New Delhi, on October 14, 1957.

decisions. In this sphere, the government has a monopoly and must have a monopoly, because in any political system it is the only possessor of ultimate physical power of enforcement. The second sphere of social action is that of economic decisions. These decisions, especially economic decisions affecting investment and allocation of resources, which, of course, have immediate relevance for economic growth, are made exclusively by private individuals. In this way, the persons who make economic decisions and the objectives towards which these decisions are made are completely separated from politics. In other words, there exists one group of persons who exclusively make political decisions and another group of persons who exclusively make economic decisions. The personnel who make political decisions make them for purposes of public welfare or security of the state, whereas the personnel who make economic decisions make them for private gain or—in the language of utilitarianism—for the maximization of the happiness of each individual participating in the economic process.

There is still a third group of actors who perform the role of critics of political and economic actions and who influence public opinion. These are the intellectuals. The intellectuals again form a distinct group of persons whose objectives differ from both those of the government and the economic decision-making units. The institutions through which the intellectuals function are the press, the radio, the universities; the media they use are books, magazines, newspapers, and various other artistic and intellectual productions. Their purpose is to teach and to inform, but also they evaluate critically the actions of other organizations in society. This is the reason why freedom of speech and assembly are such important aspects of a liberalistic system, since the guarantee that responsible discussion, even if critical, of the actions of government or economic decision-makers can be carried on, ensures that the social power exerted by political and economic decision-makers does not become absolute.

In an ideal liberalistic system, as for example one envisaged by a man like John Stuart Mill, these three social groups check and balance one another. If the political or the economic sector acts in a way detrimental to the social objectives generally agreed upon, it is up to the intellectuals to point out the errors committed, and this would, presumably by influencing public opinion, lead to some remedial action. If public pressures are strong enough, action would have to be undertaken to rectify the situation in order to bring it into line with generally agreed upon social objectives.

Clearly in such a system, decisions affective economic development of the society are made essentially by a rather well-defined group

of persons. They are made by these individuals on the basis of their concern for the maximization of their own welfare or gain. Usually, the most important decisions, especially those relating to the allocation of resources and to investment, are made by businessmen, and therefore the businessmen take a predominant role in this system.

At the other extreme from liberalism is a system of full-fledged planning. Again, I do not think that a perfectly planned system actually exists anywhere in its pure form. But in theory it may be described as a system in which, instead of having several social groups, each with its own personnel, checking and balancing one another, there is a totalitarian dictator who makes all decisions himself. Since he is all-powerful and, presumably, in the system omniscient, he will in the ideal case make all the "right" decisions. The question which then has to be asked is: what are the ultimate objectives or purposes for which a dictator wishes to make these decisions? I think that a good deal of confusion about the nature of totalitarianism—which in different forms has existed since very early days in the history of mankind—has resulted from the failure to distinguish between the nature of totalitarian control, on the one hand, and the particular objectives toward which an all-powerful and "omniscient" agency was making the decisions, on the other. Clearly, if such an all-powerful and omniscient agency has as its objective to push the level of economic activity higher, it is quite likely that, because it is as all-powerful and as omniscient as it can be under the given technological and organizational conditions, it may initiate a rate of economic development which is considerably faster than one possible in other systems. And it is this rapidity of potential economic growth which some persons have in mind when they favour rigid centralization in developmental planning.

## II

The discussion has remained confined so far to ideal systems. When discussing the liberalistic system, the assumption was made that a perfect division of social power can be achieved, and in the discussion of the centrally planned system, it was assumed that the central planning agency is all-powerful and omniscient, at least in the limited sense of the term, in that it is aware of all possible technological and organizational alternatives relevant to developmental planning. But in the real world there has never existed a perfect liberalistic or a perfect totalitarian system. Rather, we find systems of decision-making which lie somewhere between these two extremes. In other words, we may distinguish different systems by the degree of centralization of the decision-making process in the political and economic spheres.



In addition, we must yet consider a second point. Any system, whether it is perfectly decentralized, partially decentralized, or completely centralized, offers a variety of decisions on different levels of generality. Above all, one must distinguish between ultimate planning decisions and the decisions made in the course of the execution of a plan. Now, in any reasonably large and complex society, it is practically impossible, by the very nature of circumstances involved, for all decisions to be made effectively by one agency only. In other words, even in a perfectly centralized system, the actual performance of resource allocation is done in separate units, which are all distinct from one another. These allocation decisions are made in separate factories, separate farms, separate households, scattered all over the country. Many executive decisions of even the most highly centralized plans are made by entities which can easily be identified, which have a separate corporate or at least physical existence, and which actually make most of the decisions relating to the implementation of a plan. This situation holds true regardless of whether the actual basic plan is highly centralized or highly decentralized. It is an outcome of the requirements of bureaucratic administration of a plan, rather than of the socio-political philosophy upon which it is based.

One of the chief problems of the subject under survey here, *i.e.*, the problem of levels of centralization and decentralization in developmental planning, is the question of the relationship between central planning decisions and decisions made in implementation of the plan. The former are decisions made by a central planning agency establishing certain targets which are to be met at a specified time. The latter are decisions made by the various individuals who manage the different operating agencies (factories, farms, municipalities, etc.) through which a plan is carried into reality.

In much of the literature a sharp distinction is usually made between decisions at the level of planning (*i.e.*, policy decisions) and decisions made at the level of executing a plan (*i.e.*, implementation of policy). I should like to argue that this distinction is not easy to make and that, as a matter of fact, many decisions made in the course of the execution of a plan or implementation of a policy have an impact upon the plan or the policy itself, and that very often a plan must be modified because of the particular decisions that must be made at the level of executing it. A few simple examples for this suggest themselves.

No matter how centralized or well-planned an economy, there develop inevitably mistakes and errors and, what is more important, unforeseeable contingencies. No planning commission anywhere in the world has as yet succeeded in accurately predicting the output of

any particular agricultural commodity in a given year. Thus, a plan which provides, for example, for a certain amount of cotton to be produced in a given year, and which on the basis of this estimate allocates men and materials, machines and capital to the further processing of cotton, must also provide for a margin of error in the output estimates. In practice, this may be done—and actually is done—by allowing a set of alternatives to the plants which spin and weave and otherwise fabricate the raw cotton into finished pieces of textile, or finished garments, or other products. But since all eventualities cannot be foreseen, it is imperative to give a certain amount of leeway to the managers of each plant.

In the case of agricultural production, deviations from established targets occur usually because of weather conditions which are not predictable. But in all lines of production there may be accidents, disasters, or other “acts of God” which may considerably affect the output of a particular commodity, and sometimes even of a crucial commodity, and which may cause a final amount of production of that commodity which differs from the planned target. Finally, and perhaps most importantly, there is the human factor. More important than weather conditions or accidents, is the fact that a production plan is executed by human beings whose attitudes and beliefs, motives and incentives will have a profound influence on the actual outcome of the plan.

Thus, in any plan one must count on disturbances, and one actually discovers that these disturbances happen if one notices that a planned target is either overfulfilled or underfulfilled. These deviations from targets are unavoidable, and it makes no difference whether the deviation is one or the other side of the target. In other words, underfulfilment is as good (or bad) a performance as overfulfilment. If, therefore, as is the case in many plans, overfulfilment is not regarded as a defect, underfulfilment should also not be regarded as one, unless it reaches very vast proportions. The degree of fulfilment of a plan may more often than not be merely a consequence of the conditions under which the targets may be approached, and a plan, even if all targets are not met, may still be as good a plan as is possible. But not only the fact of overfulfilment or underfulfilment of a segment of the plan, but even the degree of deviation from the target is no necessary measure of how well the plan was devised. Of course, these deviations must not exceed larger proportions, but if they remain within not more than 20 or 25 percentage points of the actual targets, it would be impossible to say whether the conception of the plan was inadequate or the conditions of its execution usually favourable or unfavourable.

This means, however, that the execution of a plan in many of its aspects may affect the further operation of the plan itself. Since it is impossible to foresee all contingencies, a plan, if it is to work smoothly, must provide for certain sectors in which a relatively high degree of discretion is given to individuals to make adjustments in the execution of the plan, or, in other words, to do some planning themselves. This planning by specialized persons and agencies will, in some way or another, affect the overall plan. One of the most important problems regarding the level of centralization or decentralization in planning for economic development is the question of what rules exist for making these adjustments in given sectors of the plan. These rules can come relatively close to those characteristics in a "liberal" system or in a non-liberal system. In other words, the provisions which are included in the plan and which prescribe what is to be done by a manager of a firm or industry, a plantation or group of villages, may be rules which are fairly rigid or which give a considerable amount of leeway to this particular individual. I think that this is what we should bear in mind when we talk about the degree of centralization or decentralization in economic planning.

What we are talking about is really not the effect of the plan as originally centrally made, but rather the nature of these particular rules designed for the execution of a plan. If a plan prescribes: "Do the best you can", it comes very close to a liberal system, because what it really says, if translated into a somewhat different language, is this: "Your objective is set for you. This objective is not necessarily the maximization of profits (as would be the case in a free enterprise system), but the meeting of a particular production target. Given this objective, you have as much freedom as is possible under the institutions of this economic system to act in such fashion as to come as close to the objective as you can." The liberal system says: "Your objective is different from that of the government. Your objective is the maximization of profit. The government will try to enforce a legal and institutional order which interferes as little as possible with making it possible for your meeting this objective." The planned economy, on the contrary, says: "Your objective is the meeting of the planned targets", but a plan which does not prescribe very rigid rules as to what to do in order to meet this objective may be regarded as a highly decentralized plan. It is a plan in which an overall picture may have been drawn up in a highly centralized way and in which the different targets that must be met by different operating agencies have been balanced against one another on the basis of overall considerations. But from the point of view of execution of such a plan, a high degree of decentralization is present if the rule for executing the plan



sets a target and then enjoins each person or group charged with its execution to do the best under the given circumstances to meet that target.

Such a system of decentralized planning is based upon the recognition that in all human affairs there are limits to the exercise of compulsion, and the related understanding that voluntary consensus is likely to lead to better results than a multiplicity of constraints. This point was widely discussed in the European economic literature in the first three decades of this century under the general title of "Power versus Economic Laws". Though these debates were clearly biased in favour of economic liberalism as a system more in harmony with "human nature", the general outcome was that under a situation of economic planning in which an executing agency is confronted with extremely rigid rules not only as to *what* objectives to meet, but also *how* to meet them, a degree of compulsion is introduced which makes the execution of the plan extremely difficult. In many such situations, we find that besides the formal organizations for execution of the plan, there develop informal methods of plan execution which constitute attempts to circumvent the prescribed rules.

Shortly after Stalin's death, an article on Soviet planning appeared in the American journal, *Problems of Communism*, which was entitled, "'Blat' is Higher than Stalin".<sup>1</sup> "Blat" is a Russian word which means "influence" or "connections". The point made in this article was that many agencies in the USSR which were charged with the execution of a plan found it convenient and even necessary to employ highly paid individual who had no other function but to use their connections. If, for example, a particular factory could not meet a prescribed quota, because of insufficient raw material supplies or if it ran into other difficulties, it usually did not proceed according to the prescribed rules, but rather made use of the gentleman who had "blat", in other words, who had good connections. This practice of going outside the formal channels was very widespread and quite commonly used. Incidentally, every manager or director who honestly attempted to meet the targets prescribed to his firm in the plan exposed himself, by using these informal channels, to possible persecution for sabotage. But in spite of these dangers, the day-to-day pressures were such as to induce many individuals to circumvent the prescribed rules in order to meet the targets set to them. Hence, even in a system in which the degree of compulsion as to the methods of meeting a particular set of targets, or implementing a particular plan, tend to be very

1. See Joseph S. Berliner, "'Blat' is Higher than Stalin," *Problems of Communism*, Vol. III, No. 1 (January-February 1954), pp. 22-31.

rigorous, ways and means are found for circumventing them and replacing them by informal rules.<sup>2</sup>

The result of this discussion is that in a planned economy, one crucial test as to whether the system is centralized or decentralized lies primarily in the manner in which a particular agency is supposed to act in order to meet the targets imposed upon it. If planning is decentralized, in the sense discussed earlier, each executing agency, *i.e.*, each factory, farm, or other operating unit, will have an incentive to use the most efficient methods of production in order to meet its objective. This follows from the simple application of economic theory. Although the traditional economic theory of the firm is based on the assumption that the objective of each unit, *i.e.*, each firm, is the maximization of private profit, the same economic principles, developed by traditional economic theory, are applicable, if the objective is different: for example, if instead of maximizing profit, it is desired to reach a given size of output, or to meet a given production target. Hence, it seems that a decentralized pattern of planning is advisable on sheer grounds of economy and efficiency.

### III

But, in addition, there are two further points that are to be considered in the matter of centralization and decentralization in planning. First is the question of the degree of centralization in the drawing up of the plan. In the preceding discussion, it was tacitly assumed that a plan is drawn up by a centralized agency, and that decentralization only enters on the level of execution of the plan. But there is no reason to assume that a plan necessarily needs to be drawn up in a centralized fashion. A large part of each Five Year Plan in India has been drawn up in a fairly decentralized fashion, that is to say, that the various constituent States of the Indian Union were drawing up plans, and that it was the task of the Planning Commission primarily to find ways and means of balancing these plans against each other, amending them, and perhaps changing them in some detail so as to make them fit more adequately into one another. This is an

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2. The need for a high degree of decentralization in the execution of otherwise rather rigid development plans has been recognized in Poland. With the establishment of an Economic Council of the Polish State in 1957, a set of new directives for industry was promulgated, according to which a much greater degree of freedom in the execution of centralized plans than before is given to the various enterprises. These directives are established in the interest of greater efficiency and the fuller exploitation of "economic expedients". For a more detailed description of this new system of planning administration in industry, see Edward Lipinsky, "Reform of the Economic Model", *Polish Perspectives*, Vol. I, No. 5 (September 1958), pp. 12-18.

example in which the actual drawing up of a plan has been done in a decentralized manner.

One of the questions that may be raised here is the following : What conditions tend to lead to decentralized planning for economic development? Several reasons may favour decentralized planning in India, and in order to show some of the conditions which make this alternative desirable, I shall cite two particular factors. The first is the fact that Indian economic planning is carried on in a society which is large and heterogeneous. This heterogeneity consists not only in the obvious distinction between an urban and a rural sector, but also in a sharp heterogeneity of geographical regions, of kinds of agricultural crops, and of linguistic differences. It is quite clear that in a country like India (and, for that matter, also in large and diversified countries like Russia or China, which have a common official, but different local, languages), the sheer natural differences in language, climate, and economic conditions call for a considerable degree of decentralization in the making and conception, as well as in the execution of a plan. This decentralization is necessary simply because often the particular needs that arise in a given region are peculiar to that region, and because planning which does not discriminate for such regional differences may lead to a number of difficulties, bottlenecks, and breakdowns. Hence, in a country in which differences of various kinds exist, the problem of introducing a high degree of decentralization in the drawing up and the implementation of an economic development plan is called for primarily because of factors of geography, social structure, and difficulties of communication owing to ethnic or linguistic differences.

The second case I wish to discuss, and which seems to favour decentralized as against centralized planning, is the prevalence of economic activities which require relatively large space. The case I am here particularly referring to is the case of agriculture. In a country in which a large proportion of total output is produced in agriculture, decentralized planning is preferable to centralization.

One of the significant features which makes agriculture distinctive from other forms of economic activity is the fact that agriculture is normally carried on in enterprises covering a relatively large area. The more an agricultural enterprise produces, the larger under a given technology is the geographical surface that is required. In other words, in agriculture—unlike in most industries—the size of the enterprise is highly correlated with its expansion in space. This creates a serious problem of communication. That is to say that in an industrial plant employing many thousands of workers, as, for example, the Tata Iron



Works in Jamshedpur, productive operations are carried on in a relatively concentrated fashion. But what is more important, a sizeable proportion of total national output can be produced by a few firms. For example, in as highly an industrialized a country as the United States, in the late 1930's, 3 firms produced 86 per cent of all automobiles, 3 firms produced 90 per cent of all tin cans, 4 firms produced 78 per cent of all copper, 2 firms produced 95 per cent of all plate glass, and 4 firms produced 64 per cent of all iron ore.<sup>3</sup> This means that in many industrial branches, a very large proportion of the total output of a country can be produced in relatively few enterprises. In each of these enterprises, there is possibly a rather clear-cut system of internal organization. In other words, the pattern of communication, the levels in the hierarchy of decision-making, are highly concentrated and present a clearly discernible picture. Even though such an enterprise may employ many thousands of people, working closely with one another, the execution of the objectives of this enterprise can be achieved with a high degree of precision. Hence, we find that in large industrial enterprises, centralized planning is relatively easier, especially also because in these enterprises great importance is placed upon improving the internal organizational structure and perfecting a system of communications, and the flow of information and of commands up and down different levels of responsibility.

In agriculture this particular situation does not prevail. In part this is due to the fact that in most countries, even in many of the economically most advanced countries, the agricultural population is technologically and educationally more backward than the urban industrial population. But it is due chiefly to the fact that agriculture is, and by the nature of things must be, more dispersed. Since agricultural production requires large quantities of land, as compared with industry, any large-scale enterprise in agriculture will experience much greater difficulties in communication over relatively greater distances. Even if we could envisage an agricultural enterprise which produces as much as 5 per cent of the annual domestic output of any major crop, the cost of providing a smoothly functioning communication system for this enterprise would be extremely high and infinitely more cumbersome and inefficient than a communication system in an industrial firm which produces 50 per cent of the annual requirements of some important industrial product. This is the reason why agriculture will remain a branch of production in which many enterprises coexist, and even if a vigorous attempt is made to collectivize agriculture, the number of independent productive units in farming will remain large. But even in highly centralized agricultural enterprises, systems of

3. See David Lynch, *The Concentration of Economic Power*, New York, p. 117.

organization, communication, control, and internal allocation are much poorer and more imperfect than in comparable industrial firms. Hence, agricultural enterprises, no matter how highly centralized they may be, are below comparable industrial firms in administrative performance and efficiency. In addition, efficiency, especially in Asian agricultural enterprises, is below that in industrial firms, because of the already alluded to inferior degree of literacy of the rural population, because of the greater degree of traditionalism that prevails in rural, as compared with urban, areas, and because of a number of other factors which have their origin in the overall social structure, the survival of caste barriers and other features of village life.

There is some evidence that the imposition of a high degree of centralization in agricultural planning has had some adverse results on productivity. Let me cite two examples. In a recent study on the development of agriculture in the Ukraine between 1926 and 1955, it was found that "the productivity measures suggest . . . that there has been no increase, and possibly a decrease in general productivity in Ukrainian agriculture."<sup>4</sup> This does not mean that agriculture in the Soviet Union as a whole has been stagnant, though it certainly has not progressed on a level commensurate with industry. But much of the increase has come from bringing into production virgin lands in new areas, and the overall improvement in an old agricultural region, like the Ukraine, has been slight or negligible.

It would lead too far beyond the scope of this (article) to go into a detailed account of this result which, certainly, will surprise many. I strongly suspect that the reason for it is partly bad planning and partly too high a degree of centralization in the development and execution of plans in Soviet agriculture. In more concrete terms, what happened was that capital was invested in agriculture according to a preconceived general formula, rather than according to the needs of the various regions or farm areas. This resulted in a general replacement of horses by tractors and other machines, but there was no significant increase in fertilizer consumption per acre, no important experimenting with better seeds, no large capital investment in storage facilities, etc. In other words, it is likely that better results might have been achieved, if instead of imposing a general highly centralized plan, allocations of funds had been made to the various collective farms or even to single farmers, with the injunction that specific output targets were to be met. The particular methods of meeting these targets should have been left to experienced farmers rather than to city

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4. See A.G. Frank, "General Productivity in Soviet Agriculture and Industry: The Ukraine, 1928-1955", *Journal of Political Economy*, Vol. LXVI, No. 6 (December 1958).

bureaucrats. Thus, it seems that a much greater degree of decentralization in planning of Ukrainian agriculture would have led to better results productivity-wise than the practice actually in force.

My second example comes from Poland. In a speech presented in October 1956 at the Eighth Plenum of the Central Committee of the Polish Communist Party, Mr. Gomulka, the Polish Prime Minister, had the following to say :

When estimating the value of overall production per hectare of arable land we arrive at the following picture : individual farms 621.1 zlotys, co-operative farms 517.3 zlotys, and State farms 393.7 zlotys.... This is, in brief, an outline of the economic picture of co-operative farms. It is a sad picture. In spite of great outlays they had smaller results and greater costs of production.<sup>5</sup>

It would be rash to draw the conclusion from these examples that planning of agricultural production is not desirable or is inevitably inefficient. But these experiences do seem to point to the fact that a high degree of centralization in agriculture is not necessarily conducive to the growth of productivity of farm production, and they even point in the direction that collectivization in agriculture may not produce the best results under all circumstances. Since there has been a good deal of interest in recent years in India in experiments in collectivization in Chinese agriculture, and since in some influential quarters the opinion has been expressed that agricultural co-operation in India is the most desirable policy, one should point to the result of the reflections presented in this article, which seem to indicate that much more careful weighing of alternatives is required before a final and definitive policy in this field is accepted. In other words, rather than deciding that a high degree of centralized planning is needed in order to improve agricultural productivity in a country like India, and rather than aping, without further reflection, the practices of China, a considerable amount of study of the actual needs and potentialities of agricultural production in India is required. Such study and research would reveal that in some places centralized planning is indeed desirable, that in some others decentralized planning is preferable, and again that in others (and this would, in the opinion of this writer, apply to most

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5. Cited from Amlan Datta, *Essays on Economic Development*, Calcutta, 1957, p. 51. As a consequence of this failure of collectivization in Polish Agriculture, the Eighth Plenum promulgated a new agricultural policy for Poland, according to which peasants could again own their land in private ownership. As a consequence, out of over 10,000 agricultural co-operatives, not more than 1,800 survived by the end of 1957. See A.S., "Peasants Own Land", *Polish Perspectives*, Vol. I, No. 5 (September 1958), pp. 47-48.



agricultural areas of India), certain improvements in the labour and capital applied to agricultural production without collectivization and without inclusion of these sectors of the economy in any formal plan, is the preferred alternative.

#### IV

In conclusion, it may be fruitful to cast a glance at yet another problem, the relationship between centralization in planning and the difference between planning in breadth and planning in depth. I have made reference to this latter distinction in another place,<sup>6</sup> but in brief, it may be explained as follows : by horizontal planning, or planning in breadth, is meant an economic policy in which regulatory activity is exercised on a broad basis, embracing a mass of specific rules for many minute transactions and forms of economic behaviour. A good example of horizontal planning is an economic plan in which detailed provisions are made for the outputs of various industries and plants, in which an extensive system of priorities and allocations of materials is instituted, and in which prices and conditions of exchange are minutely prescribed. In contrast, vertical planning, or planning in depth, is an economic policy in which regulatory activity is concentrated in a limited, often rather small number of spots which have crucial significance for a wide range of economic action.

In the present period, economic planning of some form is practiced in all countries, the United States and other economically advanced countries included. But in general, it can be observed that planning in depth is more characteristic of advanced countries, and planning in breadth of the economically less developed countries. In part this is due to differences in the skills, literacy, and educational standards of the populations of different countries, but in part it is also related to the social and political institutions of these countries. Planning in depth relies upon providing a framework in which freedom of action is guaranteed; whereas planning in breadth, by minutely prescribing forms and objectives of economic action, tends to develop in countries in which political and other freedoms are curtailed. Now, although decentralized planning and planning in depth are not identical, there are various similarities between these concepts, just as there are analogies between centralized planning and planning in breadth. This implies that a system of planning in depth, as well as a system of decentralized planning, is more adapted to a country in which democratic political values are appreciated. If the problem is seen in this

6. See Bert F. Hoselitz, "Economic Policy and Economic Growth", to be published in a *Social Science Research Council Bulletin*, 1959.

light, it seems that the path Indian planning must take is clear. In India, agriculture is of relatively great importance and is likely to remain of overwhelming importance for some time to come. India is one of the few countries of Asia in which democracy is a basic political form is generally accepted and is tending to become strengthened. Although the needs for industrialization are great, political wisdom would indicate that decentralized economic planning, coupled with the elaboration of planning techniques based on the fundamental acceptance of planning in depth, are the most appropriate policies for the Indian economy and the surest means of warranting the country's democratic future.



## THE SANCTION BEHIND EXECUTIVE ORDERS

A. S. Misra

**T**HE mutiny at Vellore was caused by an order of the Madras Army Headquarters that the soldiers at the parade shall not appear with their caste marks on their faces, that they shall not grow beards or flourish their moustaches. Thus ran the order :

"It is ordered by the Regulations that a native soldier shall not mark his face to denote his caste, or wear ear-rings when dressed in his uniform.

"And it is further directed that at all parades and upon all duties, every soldier of the battalion shall be clean-shaved on the chin.

"It is directed also that uniformity, as far as is practicable, be preserved in regard to the quantity and shape of the hair upon the upper lip."

This regulation had of course to be rescinded, but only after the Indian sepoy had broken out into open revolt in which thirteen European officers and 80 British soldiers were killed. It occurred in July 1806 in the fort at Vellore, 80 miles from Madras.

### THE DICTUM OF JOHN HUSS

This mutiny proves the truth of the dictum of a great saint who flourished in Europe in the fifteenth century. "The orders of the popes, emperors, kings, princes and other superior personages are not to be obeyed, unless they are *founded on evidence and reason*". So wrote John Huss, the great Christian preacher who was burned at the stake in 1415 for fighting for the liberty of free worship and the freedom of religious tolerance.

Huss wrote these words in another context, but they are true in relation to orders of Government and Government officers, as they are true in every other sphere of life. A docile child will not obey the arbitrary orders of his parents for long, nor the pupil of his teacher nor the servant of his master. So between the ruler and the ruled or the Government and its employees. Now, if the orders of a Government and its officers are not habitually obeyed by its servants, the Government will cease to be an effective instrument of administration.



And thus it is that for the preservation of good and effective Government it is necessary that its decrees should be "founded on evidence and reason".

#### INSTANCES OF UNREASONABLE ORDERS

The more common instances of orders which are unreasonable and for that reason are disregarded are:

- (a) Asking for a report by a stated date which is about to expire or has already expired before the receipt of the order by the subordinate officer;
- (b) Asking for information within a much shorter period than would reasonably be taken in collecting it;
- (c) Ordering the clearance of arrears without supplementing the staff when the existing staff is unable even to cope with current work; and
- (d) Ordering any item of work to be completed within a few days when it is physically impossible to complete it even within a month.

That orders such as these would not be complied with would seem to be an axiomatic truth, nevertheless such orders are in fact issued every now and then. An officer applying his mind to the orders which he is signing will never issue such impracticable orders. It is only when things are done in a mechanical or routine way that such errors occur. The frequent issue of unreasonable orders causes a general tendency amongst the recipients to ignore them. Gradually, and by the force of habit, this tendency also begins to assert itself, unconsciously sometimes, in the compliance of reasonable and proper orders. There is the well-known story of the shepherd boy and the wolf.

#### ORDERS TO BE ACCOMPANIED BY A STATEMENT OF REASONS

We all know that every Bill brought before a legislative body is accompanied by a "statement of objects and reasons". This statement contains a recital of the existing position of the matter to which the Bill relates, the reasons why it is necessary to enact the measure and finally the objects which it is intended to secure. The orders of Government and of the officers acting under the authority of Government acquire a greater effectiveness if they are similarly drafted. By so doing the reader is taken into confidence and that confidence plays a great part in the implementation of the orders.

## DISPOSAL OF REPRESENTATION

While on this point of confidence, it would be useful to refer to a matter on which government servants have a general grievance. Representations relating to their personal matters, *e.g.*, pay, promotion, disciplinary matters, are every now and then received from government servants. If they are accepted, well and good, but if they are rejected, the rejection has the appearance of an arbitrary order if, as generally happens, no indication of the reasons underlying the rejection is given in the communication sent to him. He, therefore, feels, and not unreasonably, that his case has not received full consideration and that it has been rejected on untenable grounds. The rise of such a feeling in him causes frustration and to that extent his utility as a government servant is diminished. Such an official will have little heart to comply with the orders of his officer in the day-to-day administration. And an increasing body of such officials will be a severe menace to the efficiency of government.

Allied with these cases are also the cases in which a government servant's case remains pending for long and occasions are not wanting when he receives no communication at all on the result of his representation.

## WAYS AND MEANS

There is yet another requirement if full implementation of the orders is to be secured. It will not always do merely to state the reasons underlying the order—an indication ought also to be given of the ways and means of fulfilling the order, in the form of detailed instructions if the subject-matter demands such treatment. Without such advice on details, the order would be carried out in different ways by different officers leading to loss of cohesion and uniformity.

Then again the officers who have been required to undertake a job must be provided with the means of doing it, for example the funds and the machinery needed, unless these have already been placed at their disposal.

## LANGUAGE OF ORDERS

Finally, and not the least important, is the point that the orders should be worded in polite language—language which would carry the impression that he from whom the order is emanating is no more than a collaborator in a common endeavour in which each one has as important a role to play as any other.

It is when all these conditions are fulfilled that an order could be said to be "founded on evidence and reason". It will then be most willingly obeyed, and in doing so everyone will feel the inherent dignity of work and the pleasure of co-operative effort, like a team of players in a sports match.

#### REASONABLENESS OF ORDERS

The question about the reasonableness of an order is one on which no formula can be laid down. In the disposal of a case there are many factors each having its own weight, and after weighing all these factors an order has to be passed. The interplay of these factors differs from case to case and it will always be a question for the judgment of the individual officers as to what would be the most reasonable order in all the circumstances of the case. There are, however, a few basic principles which can generally be kept in view in passing orders :

(1) The order should be passed keeping in view "the rule of the law". By this expression is meant the application of the same considerations in all cases of a similar kind. That would ensure that persons who have been affected by the orders would not complain of discriminatory treatment. For instance, it would not, generally speaking, be right to sanction special casual leave to say two or three assistants of an office and to refuse it in ten other similar cases. It may be that there are some special factors in the few cases in which special leave has been given, but it would not be possible to bring home these special reasons to the ten others who have been deprived of that concession. The ten assistants would then have the grievance that possibly for extraneous reasons their three colleagues have received favoured treatment. This is only a simple illustration of the "rule of the law", but it might help in applying the rule in more difficult cases.

(2) In passing an order the dignity and self-respect of the individual affected ought at all times to be maintained. For instance, if an erring official is to be warned, the warning should not be couched in unbecoming or harsh language. It is always possible to issue a warning in language which is both polite and courteous and if that is done, the warned official will not entertain any feeling of animosity towards his superior. The result would be just the opposite if even a well-intentioned warning is expressed in language which might be regarded as offensive from the point of view of the dignity of the individual.

(3) The order passed should have regard more for the larger interests of the public service than be related to personal interests of an individual. All Government servants are a sort of trustees of the 'State', and, therefore, in passing an order, the paramount consideration



must be the public interest. Provided that the condition of public interest is fulfilled, it may be possible to accommodate, in varying degrees, the personal interests of the affected persons. This may be illustrated by an example. Let us say, there is a question whether a certain office should be transferred from a district headquarters to a tehsil headquarters within the same district. The transfer would, of course, involve the officer in charge. Now, at a district headquarters there are certain amenities and some better facilities for education than are available at a tehsil headquarters. The transfer would, therefore, adversely affect the personal interests of the employees, but it is established that in the interests of the general public the office should be so transferred. In such circumstances the question of transfer should not be shelved merely to accommodate the personal interests of the employees concerned. So, let us say, an order to make the transfer has been passed. That having been done, it could be possible to accommodate the interests of the personnel to this extent that instead of making the transfer during the middle of the academic year the transfer is made at the close of that year so that the officials may be able to make arrangements for the further education of their wards. Such a case would be one in which the interests of the public service have been secured and to a limited extent also the interests of individual officials.

#### THE LARGER QUESTIONS

In this note the question about the compliance of orders has been discussed in the restricted sphere of obedience by government servants, be those orders of the Government, of a Head of a department or an officer in charge of district administration. There is also the larger question of the violation of the laws of the land by the people in general. That raises more vital issues and must be left for separate discussion. All that need be stated here is that, as between Government and government servants so between the 'State' and the people, reasonableness must be the determining factor for the orderly relations between the two. Thus, just as orders of Government to be effective must be based on reason and logic, so also all laws to be effective must be similarly based and ought also take into consideration the psychology of the human mind.

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## ROAD ADMINISTRATION IN INDIA

*R. A. Deshpande*

**I**N a vast country like India which is known for its long distances and for the variety of its terrain and the modes of its transport, roads constitute one of the most important means of communications. At the present time we have a network of railways, a fast developing airways and a system of river transport, both traditional and modern, yet an advance in the manner and speed of transport has not detracted from the importance which roads occupy in our system of communications. In actual fact, the importance of roads is being realised all the more. Apart from pedestrians, roads cater for three types of vehicles in the country, viz., bicycles, bullock-carts and motor transport. The demand for bicycles rose from about 29,000 in 1912-13 to 2,60,000 in 1947-48. The Planning Commission has estimated that by 1960-61, 12,50,000 bicycles are required to be produced. Similarly, in 1943, there were about 8 million bullock-carts in the country. Today the number of carts in the country is estimated at about 10 million. The first motor vehicle appeared in this country in 1898; their number was 4,18,067 in 1955-56. The utility of the roads, therefore, cannot be minimised and in regard to its relative role our bullock-carts alone handle the same volume of freight as the railways.

The present road mileage in India is only 3,16,669 which is expected to go up to 3,79,000 miles at the end of the Second Five Year Plan. This mileage is admittedly inadequate for the needs of the country, particularly in view of the all-round development envisaged in the successive Five Year Plans. A comparison with other advanced countries will show how great is the leeway that has to be made up. For example, the road mileage per 100 square miles of area in some of the developed countries is:

U.K.	209
France	237
U.S.A.	111
Germany	95
Italy	89
Ceylon	70
India	22

The above statistics reveal the extent to which we are deficient in respect of road mileage alone. If we add to it other deficiencies

such as poor proportion of surfaced roads, the need to provide modern surfaces on them, lack of bridges, lack of proper geometric design and lack of two-lane carriage ways on the National Highways, the picture becomes all the more gloomy.

A country-wide road development programme which will provide within a reasonable distance of time, sufficient communication facilities for the country's economic needs, particularly the needs of rural areas, is therefore necessary. A new all-India Road Plan is therefore being formulated by the Chief Engineers under the auspices of the Indian Roads Congress for the next twenty years after the Second Five Year Plan, the salient features of which are as under:

- (1) No village should be more than 3 miles from a metalled road;
- (2) No village should be more than  $1\frac{1}{2}$  miles from an unmetalled road;
- (3) Every town with a population of 2000 in the plains, 1000 in semi-hilly areas and 500 in hilly areas, should be connected by metalled road;
- (4) All industrial and development centres, places of pilgrimage, places of historical importance, places of excursion for tourists and health resorts should be covered by metalled roads;
- (5) All administrative units of a district such as tehsil headquarters, police outpost, etc., should be inter-connected and connected to district headquarters which, in turn, should be connected to adjacent district headquarters.

For the execution of such a gigantic road plan, it is necessary that there should be adequate administrative machinery at all levels. In this article an attempt is therefore made to study the existing administrative set-up and suggest suitable changes, where necessary, in order to equip it to execute such a big development plan.

## II

The importance of the development of land communications has been recognised in India from early times. During the early days of the British period, *i.e.*, before the development of railways, a number of trunk roads were constructed for administrative and strategic purposes. But soon the emphasis shifted to railway development and roads were considered to be of local importance. So, in the various provinces, planning, construction and maintenance of roads were left to local



bodies in varying degrees. Poor resources and lack of co-ordinated development was the result and the construction of roads received a setback. Even trunk roads were allowed to fall into a state of disrepair.

After the first world war the motor vehicles came to use the Indian roads and this led to a growing public demand for a better system of roads in India. The Indian Roads Development Committee appointed by the Government of India in 1927-28 came to the conclusion that road development of India was passing beyond the financial capacity of provinces and was becoming a national interest, which might, to some extent, be a proper charge on Central revenues. As recommended by the Committee, a Central Road Fund was constituted with effect from 1st March, 1929, to assist States in financing their road development schemes.

The Government of India convened a conference of Provincial and State Chief Engineers at Nagpur in the year 1943 to consider the problem of post-war road development in India. This Conference made two very important recommendations. The first was that the roads in India should be divided into four classes, namely, National Highways, State Highways, District Roads and Village Roads. The National Highways were defined as highways running through the length and breadth of India connecting major ports, foreign highways and capitals of States. They were to provide the framework for the country's road system. Provincial and State Highways would be the main arteries of commerce by roads within a province. District roads would be the main branches from the National or State Highways and would take traffic into the interior of each district or similar unit of areas. Village roads would be, in essence, farm tracks but their construction and maintenance was to follow a designated and regulated pattern. The second recommendation of the Conference was that the Centre should assume complete financial liability for the development and maintenance of National Highways and that it should have an effective say in the use and control of these highways. This recommendation accorded with the practice in other countries which had developed a good Highway administration. After taking into account the finances available, the Government of India accepted with effect from 1st April, 1947, complete financial liability for the development and maintenance of the National Highways. According to the National Highways Act of 1956 the responsibility to develop and maintain all existing National Highways has been entrusted to the Central Government. Power is also vested in the Central Government to declare, by notification, any other important highways as National Highways. Power is also given to the Central Government to enter

into agreements with the State Governments or municipal authorities with respect to the development or maintenance of National Highways.

### III

The administration of roads in India may be divided into three classes :

National Highways	—in charge of the Central Government.
State Roads	—under the State Governments.
Local Roads	—in charge of local bodies.

Each of these are examined below in greater detail.

*National Highways* : The total milage of roads in the present national highway system is about 13,800. The development, construction and maintenance of all National Highways is the responsibility of the Central Government. But the Central Government does not maintain them through its own agency and it has entered into agreements with the State Governments for their development and maintenance. The normal agency for the execution of the work on these highways is the respective State Public Works Department, but the Centre has the freedom to entrust the work to any other agency. The Central Government keeps a close watch on the execution, maintenance and development of these roads through the Roads Wing of the Ministry of Transport by attaching Engineer-Liaison Officers to each State. This would roughly correspond to the Bureau of Public Roads in U.S.A. which is an agency of the Federal Government to administer the federal funds for the construction of highways in the various States. Compared to the needs and the limited functions of the Central Government in respect of National Highways, the existing administrative set-up of inspection and supervision appears to be quite adequate to the needs.

The twin defects in the prevailing system of financing road development are, first, the funds are uncertain and, secondly, they are inadequate. A certain continuity in the supply of funds is essential, if wasteful expenditure is to be avoided and programmes are to be pursued without interruption. There already exists the Central Road Fund which is supplying funds in a limited way. The Taxation Enquiry Commission has recommended that similar Road Funds should be created in each State for ensuring continuous and speedy road development. Instead of multiplying the organisations in various States, it would be administratively desirable that the organisation is centralised and the funds channelised to the respective States, according to their respective needs and urgency. Hence a Road Finance Corporation

jointly financed by the Centre and States may be established replacing the existing Central Road Fund and State Road Funds. It should have authority to issue the Government guaranteed loans to a certain specified limit. The Corporation should also receive annual allotment from the Central and State Governments. Such a Corporation can guarantee the continuity of funds for the development of roads without any break.

*State Roads under State Governments :* The roads under the charge of the State Governments are State Highways and other important roads, in addition to the construction and maintenance of National Highways. The administration of roads in almost all the States except that of Madras and Andhra Pradesh is entrusted to the composite Public Works Department which also deals with Irrigation and Buildings, and Public Health. Although there is a separate Chief Engineer at the top level for Irrigation and Roads independently, the administration as a whole is conducted by one Department. In view of the magnitude and intensity of the work involved in implementing a Road Development programme, it is necessary that there should be one unified and co-ordinated agency charged with the work of Road Administration. A composite department like the Public Works Department cannot pay adequate specialised attention to every branch to the extent required and it is therefore absolutely essential that there should be a separate Highways Department in each State as in Madras and Andhra Pradesh. This Highways Department should handle the construction, maintenance and management of all roads in the State. Highway engineering is no longer a guess work for engineers. It is a highly scientific branch of engineering and requires considerable skill and knowledge both in design and execution. To mention some of the aspects of highway engineering, there are surveys, both geological and geodetic and sometimes aerial surveys, soil surveys, pavement designs, river training, etc. Specialist engineers are required to deal with these various branches of highway engineering. Unless a well organised Government Department like the Highways Department is established, people are liable to miss the benefit of modern developments in highway engineering.

As the administration of the roads is intimately connected with the administration of the road transport, it is necessary that the activities of both these branches should be co-ordinated at all levels. This can be best done by establishing a "Highway Board" in each State just on the lines of the "Railway Board" comprising of the following members :

1. Chief Engineer of Highways,



2. Chairman of the State Road Transport, and
3. Motor Transport Controller.

The Chief Engineer should be the Head of the Department in charge of the administration of roads and the Department should be further divided into Zones, Circles, Divisions and according to the total area of the State and placed in charge of the Officers of the Department as shown below:

#### *Zones*

(area—16 Districts)

In charge of the Deputy Chief Engineers.

#### *Circles*

(area—8 Districts)

In charge of Superintending Engineers.

#### *Divisions*

(area—2 Districts)

In charge of Executive Engineers.

Further, there should be a central Designs Organisation at the State level for the preparation of Designs, etc., and attached directly to the Chief Engineer. Similarly, there should also be a central Store Purchasing Organisation directly under the Chief Engineer, which should be specially entrusted with the duty of procuring and supplying materials and stores required by the Executive Officers. The Executive Officers should be relieved of the duties of procuring materials and stores in order to allow them to concentrate all their energies on the execution of the works.

Similarly, there should be Special Projects Divisions, attached to the Circle Offices, charged with the work of investigations, surveying and preparing plans and estimates of the road projects, so that the Executive Officers will be relieved of this work and they can fully concentrate on the execution of the road works.

*Roads in charge of Local Bodies :* The roads in charge of the local bodies are :

- |                         |   |                                     |
|-------------------------|---|-------------------------------------|
| 1. Major District Roads | } | In charge of District Local Boards. |
| 2. Other District Roads |   |                                     |
| 3. Village Roads        |   |                                     |
| 4. City Roads           |   | In charge of Municipalities.        |
| 5. Village Roads        |   | In charge of Gram Panchayats.       |

The existing mileage of roads in charge of the District Local Boards is quite substantial and they cover the entire rural area. The Local Boards neither possess the requisite funds nor resources to administer these roads efficiently. They lack technical personnel and being

small Boards, catering for each District, cannot establish efficient organisation to look after these roads. It has been the common experience that roads in charge of the local bodies are not maintained properly and with the result that the condition of the rural roads is very bad. In order to improve this situation it is necessary that all roads should be maintained by Government through one agency. It is an accepted fact that unified control is an essential requirement for the efficient administration in any branch. It is therefore desirable that the administration of roads should be entrusted to one agency and the local board organisations in respect of roads should be abolished and all roads entrusted to one Department.

In fact, the whole question of the relationship between the State Government and local bodies in respect of the administration of roads needs also to be reviewed. The transfer of some of these roads to the local bodies was the legacy of the old order, when Local Self-Government was looked upon as a democratic concession wrung from an autocratic Government of the country and consequently the relationship between the Provincial authority and the local bodies was used to be looked upon as an issue between popular and despotic control. But with the independence of the country the position has been completely changed as the higher rungs of the administration have been democratised and the old conception about Local Self-Government is obsolete. This does not mean that the local authorities should have no administrative powers in respect of roads. But certainly the time has come to review the present dual administration of the roads by local bodies on the one hand and by the Public Works Department on the other, in the wider interests of unity and efficiency of the administration.

Of course, local municipalities would be allowed to maintain internal roads within a city or town and the village panchayats can accordingly be permitted to maintain village roads which should not exceed 10 miles in total. But these should also be subject to the supervisory ambit of the Highways Department, in order to ensure that these roads are maintained properly.

With a view to promoting, guiding and co-ordinating research in India, there is a Road Research Committee under the Council of Scientific and Industrial Research. There is also the Central Road Research Institute at New Delhi. Similar Research Laboratories and Institutes are also functioning in several States. But there are still some States where laboratories have not yet been set up. It is essential that these States have such laboratories as early as possible. It is also necessary that activities of all the Research organisations in the country

should be co-ordinated. The Central Road Research Institute should, therefore, be transformed into a premier co-ordinating Research Institute for the country as a whole.

Until the year 1934, in India there was no forum for exchange of professional experience and ideas on matters affecting the construction and maintenance of roads, for laying down standards and specifications, and for pooling and disseminating the experience and knowledge of those engaged in the practice of highway engineering. It was in the year 1934 that the idea of a common forum took concrete shape and the Indian Roads Congress came into existence. Its membership includes highway engineers of all ranks from Central and State Governments, Military Engineering Services and business concerns associated with highway engineering. The Roads Congress has evolved and published several standard specifications. It has also built up a very efficient and up-to-date lending library service. It publishes a periodical Journal and monthly Review of Transport and Communications. During the past several years, it has organised a technical exhibition at each General Session of the Congress. In 1958, the E.C.A.F.E. arranged a seminar on "Low Cost Roads" in collaboration with the I.R.C. At present it is assisting the Chief Engineers in the preparation of a Revised Road Plan for the whole country. The Indian Roads Congress and the Roads Wing of the Transport Ministry have, between themselves, helped to bring out prominently the need for developing an efficient highway system designed and built to meet the growing transport needs of the country.

#### IV

With the present tempo of the country's development projects, shortage of experienced engineers of different categories to fully man the various projects is being keenly felt. This shortage is natural when the number and magnitude of works now desired to be executed in the course of a year far exceed what we would formerly have thought of executing even in twenty years. It is, therefore, very necessary that we should so equip our engineers that they are able to execute successfully the projects that they may be called upon to handle. Adoption of suitable measures to that end should therefore be considered.

There are two ways of achieving this: first, by exchange of officers between different States so that the knowledge and experience gained in one part of the country is shared by engineers hailing from other parts of the country; and, second, by compiling and publishing proper records of the various phases of projects undertaken and completed.



All projects and parts of the country have their peculiarities and problems. A knowledge of the manner in which different parts of the country are successfully tackling their problems widens one's outlook and helps in the evolution of simpler and more economical methods by a synthesis of experiences and practices of different parts of the country. In this connection a suggestion made by Shri K.K. Nambiar in his Presidential Address to the Twentieth Session of the Indian Roads Congress during the year 1956 for the creation of an Indian Service of Highway Engineers is worth considering. India being a land of endless variety and change, officers should be given reasonable opportunities to serve for a few years outside their native States in order to enrich their experience to the greater benefit of the science and practice of highway engineering in the country.

We are eager to send our young men for training abroad, but seldom entertain the idea of sending them for training to other parts of the country itself, beyond casual visits of a couple of days. In certain respects the training that the country can afford in the technique and execution of projects is far more useful and practical than the training that can be obtained in the highly mechanised Western countries. Short visits to works in different parts of the country, though useful up to a point, cannot be a substitute for the experience and knowledge that can be gained by actual detailed study of the projects at site during different phases of investigation, designing, planning and construction.

This training can be very much simplified and made more effective by placing the knowledge within the reach of all by compiling and publishing complete records of the projects executed. Such records serve as useful guides, both for engineers and Governments, for proper planning and execution of future projects. As a matter of fact, not only do such records serve as guides, but they help in future projects being planned and executed far more economically and expeditiously than would otherwise be possible without the data that the records of completed projects can provide.



Government ethics

## A NOTE

### INTEGRITY IN PUBLIC OFFICE

*[Beginning with this issue, the Journal will contain a Note on a selected contemporary administrative problem. The Note may occasionally extend over more than one issue of the Journal.—Ed.]*

#### THE SHERMAN ADAMS CASE IN THE UNITED STATES

**T**HAT in a democracy, holders of public offices must not only be above reproach, but must act in such a way that they are also immune from suspicion, was amply brought out last Summer by the investigations of the Subcommittee on Legislative Oversight of the U.S. House of Representatives into the conduct of Mr. Sherman Adams, the Assistant to the U.S. President and chief of the White House staff (with \$22,500-a-year salary). Mr. Adams, 59, a former Member of the New Hampshire Legislature for two terms, a Member of U.S. House of Representatives for one term, had helped Mr. Dwight Eisenhower to win the presidential primary in New Hampshire in 1952 against Senator Robert A. Taft of Ohio, was his floor manager at the Chicago Republican convention for presidential elections and became the chief of the presidential staff when Mr. Eisenhower took office. After Mr. Eisenhower, Mr. Adams was the most powerful man in the Administration, "the guardian of the integrity that Ike had always promised, the man of stern incorruptibility who threw out Government appointees of high rank at the first whiff of scandal". "Adams was the man who decried the influence peddling of the Truman Administration, the stern moralist who had banished Republicans from the Administration at the first hint of errant behaviour, the walking book of ethics dedicated to keep the Eisenhower Administration spotless, as Candidate Eisenhower put it in 1952, 'clean as a hound's tooth'." Mr. Adams was also the man who in 1956 called a meeting of the White House staff for purposes of tightening up general rules of personal conduct with a view to providing against the fear of Democrats trapping the White House by planting a scandal during the 1956 election campaign. As the former President Truman said, after Mr. Eisenhower, Mr. Adams virtually ran the Administration.

The charge against Mr. Adams, investigated by the House Subcommittee, presided over by Mr. Oren Harris (Dem.) of Arkansas, was that he had accepted expensive gifts and hospitality from Mr. Bernard Goldfine, a New England textile manufacturer and real estate dealer, and had interceded with the federal government regulatory agencies in cases involving Mr. Goldfine, as a result of which the latter had received preferred treatment from these agencies.

The valuable gifts and hospitality accepted by Mr. Adams included: a vicuna coat reported to cost \$700; an Oriental rug valued at \$2,400; and payment of hotel bills at the Waldorf-Astoria, N.Y.C., the Sheraton-Plaza Hotel in Boston, and the Mayflower Hotel in Plymouth, Mass., totalling in all about \$3,096 for occasional stay there during the period December 1953-

May 1958. In return for the gifts and hospitality, Mr. Adams was alleged to have attempted to influence federal agencies in favour of Mr. Goldfine as follows :

- (1) On December 30, 1953, Mr. Adams phoned up Mr. Edward F. Howrey, Chairman of the Federal Trade Commission, to find out the source of a complaint lodged with the Commission that certain of the fabrics produced by a textile firm of Mr. Goldfine were misleadingly labelled—putting a “90 % wool, 10 % vicuna” label on cloth that actually contained some nylon. The memorandum of reply which was sent by the Chairman to Mr. Adams contained the name of the complainant the public disclosure of which was prohibited by law and stated that if adequate assurances were given that labelling would be corrected—the case could be closed on a “voluntary co-operative basis”. The information contained in the memorandum was passed on to Mr. Goldfine by Mr. Adams. F.T.C. officials overruled the recommendations of an attorney, in its wool labelling division, that the Goldfine textile company be prosecuted for mislabelling its fabrics.
- (2) On April 14, 1955, when Mr. Goldfine was being investigated again on the same charge, Mr. Adams got him an appointment to meet Chairman Howrey.
- (3) In 1956, Mr. Adams got White House Counsel Morgan to ask why a Goldfine real estate company, the East Boston Co., was under investigation by the Securities and Exchange Commission. The reply from the Securities and Exchange Commission was for non-compliance with the regulations of the Securities and Exchange Commission in regard to publishing of financial reports. The file of the East Boston Company was brought down to the White House for examination by an S.E.C. man.

Mr. Adams, appearing before the Subcommittee at his own request on June 17, 1958, explained that the gifts and hospitality accepted by him were as a matter of long personal and private friendship lasting over the last twenty years or so; the cost of the cloth of the vicuna coat to the mill was about \$69 only; the Oriental rug was on loan; and the hotel bills were for his stay overnight during his journeys between Washington D.C. and his home in New Hampshire on the understanding that Mr. Goldfine's company had a continuing arrangement for hotel accommodation. Mr. Adams stated that he had also once given Mr. Goldfine a goldwatch as a gift and Mrs. Adams had painted a picture for the Goldfines. The exchange of gifts between the two families was purely on the basis of friendship. Further, Mr. Goldfine's friendship had in no way affected his official conduct; the enquiries made by him from the Federal Trade Commission and Securities Exchange Commission were purely of a routine character, designed to seek information only and not for purposes of influencing their conduct. Mr. Adams asked the Committee : “Is there any member of the Committee or the Congress . . . who has not made an appointment at the request of some individual who found himself concerned with some agency or activity in the Government? Is there any member of this Committee or of the Congress who is willing to stand and say that, by virtue of making that appointment or making that inquiry, that his vote was affected on any public question? Mr. Chairman, I believe that the President has appointed



able men to independent agencies of our Government, and I think to say that a request or call or an inquiry for information would have the result of influencing the decision of a person who serves on one of those commissions is, I must say, a reflection on his competency and character"....Mr. Adams added "Quite obviously, I have tried to differentiate between the requests which seemed to me proper and those that seemed to be improper, and there are points beyond which, quite obviously, I thought that neither I nor my associates in the staff of the President ought not to go, and that has quite obviously subjected me and the staff, I might add, to some criticism in that regard". Mr. Adams further said that he did not know that information contained in Chairman Howrey's memorandum was confidential and it was not proper to divulge it. (The White House Press Secretary, Mr. Hagerty, denied on June 18 that the information passed on by Mr. Adams was confidential in as much as it had already become public information many weeks before Mr. Howrey's memorandum was sent to Mr. Adams.) Again, even after Mr. Adams' fixing an appointment for Mr. Goldfine, the latter's companies were served with 'cease and desist' orders for reasons of label violations.

On the question whether Mr. Goldfine did actually benefit in any way from his relations with any branch of the Federal Government because he was a friend of his, Mr. Adams said "I know of no action requested or taken by me or by any member of my staff with any Government official that has resulted in any benefit to him that he could not have received had he gone directly to the agency involved and he and I had been complete strangers". As regards the propriety, as a public official, of accepting gifts from a friend, Mr. Adams stated : "I am not insensitive to interpretations that it is possible to place upon a situation that involves my relationship with a friend who becomes involved, advertently or inadvertently, with matters in public agencies....that in the five and a half years that I have been at my post, I have never permitted any personal relationship to affect in any way any actions of mine in matters relating to the conduct of my office. If, Mr. Chairman, on the contrary, I have in any way so conducted myself as to cast any semblance of doubt upon such conduct, I can only say that the error was one of judgment and certainly not of intent". Questioned about the interpretations which would naturally be attached to calls from the White House by members of federal regulatory agencies who were appointed by the President, subject to confirmation by the Senate later, Mr. Adams agreed that it was desirable for the staff of the President to refrain from doing anything which might possibly lead to such interpretations and that if he were to make the decisions again, he would have acted "a little more prudently".

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President Eisenhower, at a White House news conference on June 18, 1958, said that "anyone who knows Sherman Adams has never had any doubt of his personal integrity and honesty. No one has believed that he could be bought; but there is a feeling or belief that he was not sufficiently alert in making certain that the gifts, of which he was the recipient, could be so misinterpreted as to be considered as attempts to influence his political actions. To that extent he has been, as he stated yesterday, 'imprudent'....

"I personally like Governor Adams. I admire his abilities. I respect him because of his personal and official integrity. I need him....

"Admitting the lack of that careful prudence in this incident that Governor Adams yesterday referred to, I believe with my whole heart that he is an invaluable public servant doing a difficult job efficiently, honestly and tirelessly".

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On June 26, 1958, Mr. John Fox, (a Boston Lawyer and the former publisher of the defunct Boston *Post*, and a former friend of Mr. Goldfine turned into an enemy on the latter's calling back loans to the *Post*, who had originally put the House Sub-committee investigators on to the Goldfine-Adams relationship), testified under oath before the Subcommittee that he had heard Mr. Goldfine boast that Mr. Adams would "take care" of his trouble with the Federal Trade Commission; that Mr. Goldfine had told him over a period of many years that he had helped Mr. Adams financially and very materially and that he had bought interests in various ventures for Mr. Adams and also bought a house for him in Washington D.C. These accusations by Mr. Fox were branded as "malicious and deliberate falsehoods", by Mr. Adams the same day; Mr. Adams also criticized the Subcommittee for permitting "a completely irresponsible witness to use the Committee as a forum for making such vicious accusations".

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Mr. Goldfine, appearing before the House Subcommittee from July 2 to 17, testified under oath, that he had never asked Mr. Adams "to do anything out of line, and he never did anything for me that was out of line". Describing Mr. Adams as one of his "dearest friends" for nearly 20 years, Mr. Goldfine pointed out that he did not get any preferred treatment from the Federal Trade Commission and the Securities and Exchange Commission as a result of Mr. Adams' asking for certain information. He admitted that the hotel bills paid for Mr. Adams and the cost of the Oriental rug and some other gifts had been charged as business expenses of certain Goldfine-controlled companies. He explained that the rug had been purchased from the Macy's for the showroom in Boston and loaned out to Mr. Adams so that later he could probably point out to his customers "This rug used to be in Governor Adams house". (Under the federal tax code if a gift is to qualify as a deductible expense it must involve some expectation of return, either tangible or intangible. Mr. Hagerty, the White House Press Secretary, reported later that Mr. Adams had neither charged off his presents to Mr. Goldfine as tax deduction nor had he counted the gifts as income on his tax returns.) Mr. Goldfine also admitted that he had sent treasurer's cheques at Christmas time to 33 present and former Federal employees, including employees of the Federal Trade Commission and the Securities and Exchange Commission and two present White House employees (Miss Laura G. Sherman, second secretary to Mr. Adams, and Mrs. Hellen Cole, now attached to the President's appointments secretary); that he had paid hotel bills of \$675 for Senator Fredrick Payne (Maine), and of \$340 and \$182 for New Hampshire's Republican Senator Norris Cotton and Senator Style Bridges respectively; and that he had entered these items, together with his

gifts to Mr. Adams as "business expenses" on his income tax returns. He repeatedly refused to answer questions about certified treasurer's or cashier's cheques totalling \$776,879 which had been issued to him or his companies by State or National banks since 1941 but had remained uncashed. (Treasurer's cheques are issued by a State Bank, while cashier's cheques are issued by a National Bank. Both types are signed by bank officials and payable by the bank itself; the name of the individual purchasing such cheques does not appear on them and thus remains "masked" or "concealed".) The Subcommittee's counsel suggested that the uncashed cheques might have been used for the benefit of public officials or employees serving as collateral for any such use. However, because of his refusal to produce his records on these cheques (on the ground that the question was not relevant to the inquiry), the House of Representatives voted on August 13, on the Subcommittee's recommendation, that Mr. Goldfine should be cited for contempt of Congress.

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The hearings before the Subcommittee aroused a bitter political controversy. The nation as a whole recalled President Eisenhower's statement of May 4, 1958, in which he had proudly proclaimed: "If anyone ever comes to any part of this Government...claiming some privilege...on the basis that he is part of my family or of my friends, that he has any connection with the White House, he is to be thrown out instantly. I can't believe that anybody on my staff would ever be guilty of an indiscretion. But if ever anything came to my attention of that kind, any part of this Government, that individual would be gone". In the face of this declaration many felt that in not removing Mr. Adams from his office President Eisenhower had compromised the basic principles on the arguable but shifting ground that he was indispensable to the White House—a compromise which was likely to have adverse repercussions on the forthcoming November elections to Congress.

The pressure for Mr. Adams resignation continued to increase and Mr. Adams resigned on September 22. In his letter to Mr. Adams accepting his resignation, the President paid tribute to Mr. Adams' 'selfless and tireless devotion to the work of the White House', thought that his 'total dedication to the nation's welfare has been of the highest possible order' and that he had the President's 'complete trust, confidence and respect'. Mr. Adams in a broadcast, announcing his resignation, explained that he had not resigned earlier because, "since I have done no wrong, my resigning could have been construed as an admission that I had, in the atmosphere which surrounded the controversy". However, in the light of the events of the preceding three months, Mr. Adams now felt that his further retention in office might 'conceivably delay or retard, even in small degree, the achievement of the goals of President Eisenhower, which yet were ahead and might possibly diminish the chances which the Republican party had of regaining control of Congress in the November elections.

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In the elections to the U.S. Congress in November 1958, the Democrats won a sweeping victory; they gained the biggest majorities in both



Houses since the "New Deal" days. It is impossible to assess how far the Sherman Adams case was responsible for the Republican defeat; all that can be said is that in the judgment of many in retaining Mr. Adams the President had compromised his oft-proclaimed deep sense of public ethics and that the Sherman Adams case had had adverse repercussions on the November elections.

As against this there were the President's reasons for hesitating to relieve Mr. Adams. The President had explained these in his news conference of June 18, 1958, as follows:

"The circumstances surrounding the innocent receipt by a public official of any gift are...important, so that the public may clearly distinguish between innocent and guilty action. ...Among these circumstances are the character and reputation of the individual, the record of his subsequent actions, and evidence of intent or lack of intent to exert undue influence." The President added "I have never said anything except that I expect the highest possible standards, not only of conduct but of appearance of conduct".

The President also observed :

"First, as a result of this entire incident, all of us in America should have been made aware of one truth—this is that a gift is not necessarily a bribe. One is evil, the other is a tangible expression of friendship.

"Almost without exception, everybody seeking public office accepts political career. Yet we do not make a generality that these gifts are intended to color the later official votes, recommendations and actions of the recipients. In the general case, this whole activity is understood, accepted and approved".... "I think there is no possible way in which elected officials can be called to account except by their own conscience, their own consciousness of good or evil intent except only when they do something that outrages either the legal bounds that are set for us or, let's say, the public opinion in the United States."

In U.S.A., "Much of the mail and time of members of Congress is devoted to the requests of constituents about matters concerning which they, the constituents, are dealing with the administrative agencies of the government. In countries dominated by civil servants, such as... Germany and to a lesser degree Great Britain, any intervention by legislators in such administrative matters is severely discouraged".<sup>1</sup> "No Senator or Representative has been discovered who does not affirmatively state, for the record if possible, that he feels it his duty to provide the maximum service to his constituents as individuals. There is at present no observable tendency to discourage constituents from coming to legislators for help. The reference function is firmly established."<sup>2</sup> "For these reasons, the intervention of legislators corrects injustices in a large number of cases and also helps to check tendencies of administrators towards personal and class aggrandizement."....

1. Paul H. Douglas, *Ethics in Government*, Cambridge, Mass., Harvard University Press, 1953, p. 85.

2. Report of a Subcommittee of the Committee on Labor and Public Welfare, U.S. Senate, *Ethical Standards in Government*, Washington, U.S. Government Printing Office, 1951, p. 28.

"Furthermore, the accumulation of individual complaints gives legislators an insight into the weaknesses of certain laws and suggests needed changes."<sup>3</sup>

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The following extracts from the report on "Ethical Standards in Government", of the U.S. Senate Subcommittee of the Committee on Labor and Public Welfare which submitted its report to U.S. Congress in 1951, will be of interest:

"The line between the proper and improper begins to be less certain when one looks for a consensus of opinion as to favours, gifts, gratuities, and services. The exchanging of gifts and favors is reported to be rather general in the business community. What is it proper to offer public officials, and what is it proper for them to receive? A cigar, a box of candy, a modest lunch (usually to continue discussing unfinished business)? Is anyone of these improper? It is difficult to believe so. They are usually a courteous gesture, an expression of goodwill, or a simple convenience, symbolic rather than intrinsically significant. Normally they are not taken seriously by the giver nor do they mean very much to the receiver. At the point at which they do begin to mean something, however, do they not become improper? Even small gratuities can be significant if they are repeated and come to be expected. But here, too, convention must be considered: gifts to school teachers are now generally forbidden by law, but a Christmas-time present for the postman, usually on engraved green paper, is almost as well established as holly.

"Expensive gifts, lavish or frequent entertainment, paying hotel or travel costs, valuable services, inside advice as to investments, discounts and allowances in purchasing are in an entirely different category. They are clearly improper. On this, there is substantial agreement in the governmental community, and any one who thinks them proper must have already lost his perspective. The difficulty comes in drawing the line between the innocent or proper and that which is designing or improper. At the moment a doubt arises as to propriety, the line should be drawn. Innocence is perhaps lost when one is conscious that it exists."<sup>4</sup>....

"Wherever a public official has discretionary power to make decisions the terms of which are of great concern to individual businesses or to groups of businesses, he must be on his guard against being unduly influenced. For example, a contracting officer and his family may be drawn into a social programme of dinners, parties, golf, and other social engagements by a contractor or his agents. If this continues, it makes the contracting officer and the contractor, members of the same social circle. Even if the engagements are purely social, the official may find it hard to be completely detached when it comes to handling official business with his new friend. If business matters are discussed during social engagements, complete objectivity becomes more difficult still"<sup>5</sup>. ....

3. Paul H. Douglas, *op. cit.*, pp. 86-87.

4. Report of a Subcommittee of the Committee on Labor and Public Welfare, U.S. Senate, *op. cit.*, p. 23.

5. *Ibid*, p. 20.

"It is a wise policy for a civil servant to avoid any extensive social involvement with persons who are not naturally part of his circle of friends. If persons seeking to do business with the Government suddenly hunger for his companionship in his off-duty hours, a man would seem to be justified in going a little slow. If the public official is not in a position to return social courtesies on the scale they are extended to him, it is an additional argument for caution. It is embarrassing to be obligated, even socially, to persons towards whom one must act with complete impartiality."<sup>6</sup> ....

"Appearance as well as reality must be considered. Even though a public official is not influenced by favours in his attitude towards the donor's official business, if it might seem to an observer that the recipient would be influenced, the gift becomes improper. It is not to the public interest that the integrity of officials should be suspected. The effect of the example on other employees and on other members of the public is also to be considered."<sup>7</sup> .....

Mr. Paul H. Douglas, who was the Chairman of the U.S. Senate Subcommittee mentioned above, has in his book 'Ethics in Government' made similar observations as follows:

"Today the corruption of public officials by private interests takes a more subtle form. The enticer does not generally pay money directly to the public representative. He tries instead by a series of favours to put the public official under such a feeling of personal obligation that the latter gradually loses his sense of mission to the public and comes to feel that his first loyalties are to his private benefactors and patrons. What happens is a gradual shifting of a man's loyalties from the community to those who have been doing him favours. His final decisions are, therefore, made in response to his private friendships and loyalties rather than to the public good. Throughout this whole process, the official will claim—and may indeed believe—that there is no casual connection between the favours he has received and the decisions which he makes. He will assert that the favours were given and received on the basis of pure friendship unsullied by worldly considerations."<sup>8</sup>

The gifts "may begin in a very innocent form such as the offer of a cigar."<sup>9</sup> .... "From a cigar, however, the gifts lead on to a box of cigars, to a bottle of whisky, and to a case of liquor. From there, the gifts move on to encompass the "little wife", starting with a mouton coat, then progressing to a mink coat, and finally reaching the heights of the 'natural royal pastle mink coat, worth \$9,500 which was given to the wife of E. Merle Young, the man from Missouri who was reputed to have so much influence with the Reconstruction Finance Corporation."<sup>9</sup>

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6. Report of a Subcommittee of the Committee on Labor and Public Welfare, *op. cit.*, p. 27.

7. *Ibid.*, p. 23.

8. Paul H. Douglas, *Ethics in Government*, *op. cit.*, p. 44.

9. *Ibid.*, p. 45.



## CORRESPONDENCE

### PLANNING FOR A REGION

The Editor,

*I.J.P.A.*

Sir,

Shri K.D.N. Singh in his recent impressive article in your *Journal* on "Planning for a Region", (Vol. IV, No. 3, July-September 1958) has examined various concepts and kinds of organisation for regional planning in the U.S.A. with a view to consider whether such experience could be profitably applied in this country. He has made an interesting suggestion which, briefly stated, postulates that planning has become, for the most part, a centralised function and the Planning Commission exercises very considerable authority over the plans of the various States, and avers that while the Zonal Councils have created a basic regional organisation within the framework of provincial autonomy, it must be considered a loose inter-State compact for the solution of such inter-State problems as may arise from time to time. He, therefore, suggests that an intermediate planning agency under the Zonal Councils may be created as Regional Planning Commissions and given such powers as to enable them to ensure that their recommendations are given effect to by the various States, the Zonal Planning Commission to be composed of one representative of each of the component States with the same number being appointed by the Planning Commission, one of the latter being the Chairman of the Zonal Commission. Such an organisation is suggested to ensure an overall approach to the problems of the regions, their activities being directed

towards general policy planning but not to become responsible for detailed execution. They would conduct comprehensive investigation into the physical resources of their regions, formulate broad regional plans of which the State plans would form an integral part, in respect of various developmental items such as industries, agriculture, communications, water and land resources and the like; to exercise general supervision over the plans which would be executed in the various States such as the Planning Commission does today; and thereafter to evaluate and review the State plans and programmes so as to ensure that its recommendations and plans are actually carried into effect in order to achieve co-ordination aimed at uniform regional development.

The suggestion looks attractive, but it is debatable whether such regional commissions would actually help to advance or would retard the processes of planning at the present stage of development in India. Discussion of such organisational matters in respect of the planning machinery would, it seems, be a matter of merely academic interest until the end of the Third Five Year Plan period. Shri Rana has himself referred to the various questions which the suggestion would raise, e.g., the relation between the Central Planning Commission and the Zonal Commissions, the question of delegation and decentralisation of the planning functions to enable Zonal Commissions to function as a useful intermediate agency between the States and the Planning Commission; he recognises that the regional plans

would have to be split up into State plans for the purpose of actual implementation, and that there may be some degree of conflict between the Zonal Commission and the component States; but these he hopes would in time be resolved with a gradual appreciation of the usefulness and advantages of a regional approach as against a purely State-wise approach. He feels that for the most part the functions performed at present by the Planning Commission in respect of regional plans would be better performed by Zonal Commissions.

While from the aspect of abstract principles such decentralisation might be commendable, it would perhaps hardly be true to say, as he suggests, that the proposal does not involve anything very radical. Indeed, the resulting procedural and practical complications in actual working might well be found to be so cumbersome as to outweigh the advantages envisaged in the creation of such commissions. While Shri Rana appreciates that the creation of the Zonal Councils will go a long way in preparing the ground for a regional approach, he is inclined to think that it might become a "ponderous and slow-moving machinery". I venture to think that such a criticism would indeed apply with greater force to the "strong super-structure of a regional planning organisation" which he advocates entailing, as it indeed would, the creation of a number of ever-growing directorates, advisers etc., of their own. In the process, the planning function would tend to get bogged down into acrimonious debates about procedural and structural matters, to the detriment of the desideratum of planned regional development. The present scheme for the Zonal Councils owes its origin to the suggestion made by the Prime Minister in Parliament in

connection with the reorganisation of States with a view "to develop the habit of co-operative working". Bearing in mind that financial allocations by the Planning Commission to the States for their development plans are the crux of the matter, and like *Oliver Twist* every State is always pressing for more for its plans, if such Zonal Planning Commissions were set up, disputes and conflicts among the States for financial allocations would merely be transferred to the arena of such Commissions.

Shri Rana has himself advocated the need for a "slow and gradual approach". This being accepted, it would be well to consider whether the existing machinery of Zonal Councils does not represent a more appropriate and realistic approach to the end in view at the present stage. The working of Zonal Councils during the short period they have been in existence might afford a useful clue in the matter. Zonal Councils have discussed and arrived at agreed conclusions on a wide variety of matters concerning not only resolving of inter-State disputes but also relating to matters of common interest and development in different fields, e.g.:

- (i) Measures for inter-State co-operation for meeting shortages of technical and training institutions/centres and personnel in the Zones;
- (ii) Co-ordinated development of electrical power resources in the regions and arrangements for regional power grids;
- (iii) Review of agricultural production and development programmes in the Zones;
- (iv) Inter-State transport problems—division of traffic/permits among the States—removal or relaxation of

- restrictions for promoting inter-State transport;
- (v) Measures for promoting better maintenance and co-ordination of control, and construction of bridges, on roads passing through more than one State;
  - (vi) Setting up of common emporia in the States for promoting the display and sale of goods of handicrafts of the States in the Zones;
  - (vii) Constitution of common police reserve forces in the Zones.

It is interesting to note that decisions are taken by Zonal Councils by common consent of all the States represented in a Council, and there is no occasion—indeed, there is no provision in their Rules of Procedure—for taking a decision by a majority of votes of the members. Moreover, provision exists for appointment of committees by the Zonal Councils for performing such functions as may be entrusted to them. A number of committees have been constituted for examination and submission of proposals for the consideration of the Council on a variety of matters of common interest like some of those mentioned above.

Zonal Councils which are yet in their infancy may not reasonably be expected to achieve heroic or spectacular results immediately. It should be noted that these include, besides Members and Advisers from the States, an Adviser nominated by the Planning Commission. I venture to think that Zonal Councils have potentialities of developing spontaneously in due course into useful bodies also for securing coordination of regional planning.

In this context, it would be useful to bear in mind that the Constitu-

tion of India in Article 263 has empowered the President, if he deems it desirable in the public interest, to establish an Inter-State Council for investigating and discussing subjects in which some or all of the States or the Union and one or more of the States have a common interest etc. There is also provision in Article 262 that Parliament may by law provide for the adjudication of disputes with respect to the use, distribution or control of waters of any inter-state river or river valley. However, in Part III of the States Reorganisation Act of 1956, Parliament has provided for the constitution of Zonal Councils as *advisory bodies* in which some or all of the States represented in that Council, or the Union and one or more of the States, have a common interest, to advise the Central Government and the Government of each State concerned as to the action to be taken on any such matter. Such an approach seems to have been adopted advisedly with due regard to the States' susceptibilities. In the words of the Union Home Minister in his inaugural statement to the first meeting of the Zonal Council, Northern Zone, "while the plan for Zonal Councils has been received in the country generally with enthusiasm, apprehensions have also been expressed in certain quarters that it was too idealistic a venture and that it might either result in a Zonal Council absorbing the participating States or Councils developing into powerful bodies which would weaken the Centre. In wishing this body all success, I hope that these Councils will so conduct their activities that they would not only belie such forebodings but serve to promote inter-State concord thereby strengthening and invigorating the Centre as well as the States."

Yours faithfully,  
B. D. Tewari

New Delhi.  
March 2, 1959.



## RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

A significant recent development in the field of recruitment policy has been the Government of India's decision that all Central Government employees should be permitted to take any competitive examination held by the Union or a State Public Service Commission at any time if they are otherwise eligible by age and educational qualifications. The decision will, however, not apply to (1) Defence Services personnel, (2) permanent technical employees of the Railway Ministry and other permanent employees who have received training at the expense of Railways and are bound by an agreement to serve for a specified period, and (3) scientific and technical employees who have received training at the expense of Government for a period of one year or longer. The railways' employees listed in category (2), can appear at competitive examinations for posts in their own departments. Trained scientific and technical personnel will be allowed to compete only for such examinations as are held for appointments to scientific and technical posts. The Central Government has also decided to treat students who have passed the first year examination of the three years' degree course of an Indian University as having passed the "Intermediate" examination for purposes of employment under it. The Central Government has also announced the deletion, from this year, of the personality test from the syllabi of the "Limited Competitive Examination for Promotion to Regular Temporary Establishment of Assistant Superintendents of the Central Secretariat Service." The "Evaluation of Records" will, how-

ever, continue to remain, and will now carry a maximum of 200 marks.

As regards the creation of new cadres and services, the Government of India has framed rules for the formation of a Central Information Service for manning posts in the Press Information Bureau, the News Division of All India Radio and the Publications and Research and Reference Divisions of the Ministry of Information and Broadcasting and other posts requiring journalistic qualifications and experience. The initial constitution of the Service would be restricted to departmental candidates whose suitability would be determined by a Selection Committee to be constituted by the Union Public Service Commission with its Chairman or a Member as President and with not more than three representatives of the Ministry of Information and Broadcasting as members. The grades and pay scales of the proposed Service range from Class I, (Gazetted), non-ministerial, Senior Administrative Grade : Rs. 1,600-100-1,800 to Class II, (non-Gazetted), non-ministerial, Grade IV : Rs. 200-10-250-EB-15-400. For recruitment after the initial constitution of the Service, the Rules provide for direct recruitment to a percentage of posts in each Grade (except Grade IV) through the Union Public Service Commission.

The Special Recruitment Board set up for the selection of personnel of the Industrial Management Pool has recommended 212 persons. The controlling authority of the Pool, the Ministry of Home Affairs, has set up an advisory board with Secretaries of the Ministries of Commerce and Industry, Steel, Mines and Fuel, and

Transport and Communications as members and the Cabinet Secretary as its Chairman to advise it on their placement in various public enterprises under the Central Government.

The Law Commission of India has, in its fourteenth report on the 'Reform of Judicial Administration', recommended the constitution of an All India Judicial Service; as also of a Central Ministry of Justice.

The Government of Kerala has constituted a five-member Committee under the chairmanship of *Shri N.C. Chatterjee*, Senior Advocate, Supreme Court of India, to enquire into the Police administration in the State and recommend measures for its reorganisation. The terms of reference of the Committee include the role of the Police in the Welfare State; adequacy or otherwise of the existing provisions of law for the fulfilment of the objectives laid down in the Directive Principles of State Policy in the Constitution, and of the public aspirations, in particular, in the sphere of employer-employee and landlord-tenant relations; associating the public with the work of the Police, establishment of Police Advisory Committee, measures for better public relations; associating village panchayats in some form with the Police; reorganisation and re-orientation of the administrative set-up of the Police and of methods and practices of recruitment, training (both initial and in-service) and promotion; and incentive schemes, employees' welfare and the setting up of Whitley Councils in the Police Department.

With the enactment of the Public Employment (Requirements as to Residence) Act, 1957, nine States (*viz.*, Assam, Bombay, Kerala, Madhya Pradesh, Madras, Mysore, Punjab, Rajasthan and Uttar Pradesh) have by now amended their Service Rules permitting all Indian

citizens, of whatever State, to sit for the competitive examinations for State Services.

In Punjab, the Government has added the names of the Speaker, Vidhan Sabha, and the Chairman, Legislative Council, to the list of authorities competent to make recommendations for nomination to the P.C.S. (Executive Branch).

The State Government of Uttar Pradesh has decided to increase the quotas of the U.P. Civil Service (Executive) Branch from 510 to 540.

In West Bengal, the Government has decided that all appointments and transfers of District Judges will henceforth be made by the State Judicial Department. These powers were hitherto exercised by the Home Department. The State Government has also assumed charge of the public health duties (except water supply) in the Districts and also of the public health laboratories, hitherto run by the District Boards, with a view to ensuring an efficient, well-organised and integrated public health administration in rural areas.

In the field of training for public services, the emphasis on in-service orientation and refresher courses continues. In Assam, the O & M Division organised a six-week Induction Course for the new recruits to State Civil Service Class I and Class II to give them a general idea of the administrative machinery from the Secretariat to the district and village levels, of the various welfare activities being undertaken by Government and of the role and conduct of the civil servants in a parliamentary democracy. The State Government also proposes to start in due course a Training Institute for Officers of the Indian Administrative Service allocated to Assam and of the State Civil Service. The Uttar Pradesh Government has drawn up a scheme for imparting in-service training to

officials at various levels in Development Departments and to prepare them for the next Kharif campaign. Under the scheme, Principals and Instructors from the training centres and the Zonal and Regional Officers would receive a short in-service training and will, in turn, impart suitable training to the block and assistant development officers, village level workers and the inspectorate staff of the Agriculture, Co-operative and Panchayat Raj Departments.

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The Study Group on Social Security, set up by the Government of India in August 1957, under the chairmanship of *Shri V.K.R. Menon*, Director, I.L.O., India Branch, has in its recent report suggested the conversion of existing Provident Fund schemes for workers into a statutory Pension Scheme. It has also recommended a scheme of Old Age, Invalidity, and Survivorship Pension-cum-Gratuity. The latter scheme provides for the payment of a small gratuity sufficient to meet the needs of workers, and the rest of the resources are to be used towards giving them the maximum pensionary benefits. The integration of the schemes of Employees' State Insurance and of the Provident Funds administered, by the Central Government should, it is recommended, be effected as soon as the necessary administrative arrangements can be made.

The *Madras* Government has announced the appointment of a three-member Commission with *Shri Ramunni Menon*, I.C.S. (retd.), as Chairman, to scrutinise the present structure of the diverse scales of pay, dearness allowance, other compensatory concessions and retiring benefits of public servants in the State sector and to recommend a rational

structure for the future. The State Government has also granted an interim relief of Rs. 5 p.m. to all its non-gazetted employees retrospectively with the salary drawn on January 1, 1959. Local bodies are to be assisted to the extent necessary to enable them to extend this concession to all local board employees drawing Rs. 300 p.m. or less. In *Andhra Pradesh*, the State Government has accepted Part I of the recommendations, submitted by the Pay Committee, in regard to the salary structure including dearness allowance of Government employees, the minimum of whose existing pay is Rs. 250. Important among these recommendations are : minimum emoluments of Rs. 50 p.m. for Class IV employees, Rs. 71 for semi-skilled employees like drivers, Rs. 84 for the lowest grade of the clerical staff; the existing multiplicity of some hundreds of pay scales to be reduced to a bare 33; increments to be annual in all cases instead of biennial as at present in certain cases; and substantial increases in pay for executive and technical posts. The State Government has also ordered that all posts in the different departments which had lasted for three years and are, on a considered view, likely to continue either indefinitely or for a reasonably long period are to be made permanent. The Government of *Mysore* has ordered that the benefit of the general revision of pay scales of Government servants which took place with effect from January 1, 1957, may be extended to the employees of the local bodies and has authorised the Divisional Commissioners to sanction the revised scales. The State Government has also promulgated special rules providing for an advance of 42 months' salary, repayable in a period of 15 years, to Government servants to enable them to purchase the houses built in Rajajinagar and Jayamahall extension of the Bangalore City.



The Punjab Public Service Commission has, in its report for the year ending March 31, 1958, suggested, among others, the raising of the superannuation age, particularly in the case of the technical personnel, from 55 to 58 years.

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The most significant recent development in the field of employer-employee relations in government has been the amendment of the Central Civil Services (Conduct) Rules, 1955, to remove restrictions on certain categories of activities of non-gazetted government employees drawing Rs. 500 or less p.m. and working in State-owned or State-managed industrial or commercial establishments (excluding railways and offices mainly concerned with administrative, managerial, supervisory, security or welfare functions). The exemptions, granted under the amendment to certain categories of government industrial and commercial employees, are designed to place these employees more or less on par with similar employees in private industry. The exemptions include those from provisions relating to demonstrations and strikes; joining of unrecognised associations by government servants; raising of funds and subscriptions; taking part in the registration, promotion or management of any bank or other registered company; investments, lending and borrowing; acquisition of movable, immovable and valuable property; recourse to courts or the press for the vindication of any official act subjected to adverse criticism or any conduct of defamatory character; and canvassing of non-official or other outside influence. Industrial or commercial employees of Government, exempted from the above restrictions, will now also have the freedom of *bonafide* expression of views as office-bearers of trade unions

of such government servants for the purpose of safeguarding their service conditions or for securing an improvement therein.

As regards restrictions on the activities of non-industrial and non-commercial government employees, in *Andhra Pradesh* the Government has directed the incorporation of a condition in the terms of Public Works contracts that the contract would be liable to cancellation if either the contractor himself or any of his employees is found to be a retired gazetted Government servant who has not obtained permission of the State Government for accepting the contract or employment within a period of two years from the date of his retirement. Further, at the time of sanctioning their pensions, engineers and other gazetted officers of the P.W.D. (including Electricity Department) would be required to sign an undertaking that they would not seek employment within a period of two years from the date of their retirement without the prior permission of the Government. Non-pensionable officers would also be required to sign a similar undertaking at the time they are paid the gratuity or other retiring benefits by the Government.

The *Bombay* Government has reiterated that it is against the provisions of the Government Servants' Conduct Rules for Government servants to approach M.L.A.s or non-officials with their grievances and that any person found guilty of such misconduct would render himself liable to severe disciplinary action. Further, Government servants should not meet Ministers and Deputy Ministers not in charge of their own Department for representing their grievances or enlisting their assistance in service matters.

In *Madhya Pradesh*, the State Government has decided to accord official recognition to associations of

non-industrial government employees provided (1) the association ordinarily consists of a distinct class of government employees (except in the case of an association of Class IV personnel whose office-holders may be government employees of a different class); (2) every government employee of the same class is eligible for membership of the association; and (3) no person who is not in the active service of Government is an office-holder of the association.

In *Bihar*, the Government has decided to set up a Joint Staff Council, to function as a consultative body, for Class III and Class IV staff employed in the Secretariat and attached offices, excluding, however, the departments of Police and Jails. The Council will consist of 10 members—five representing the Government side and five representing the staff side. The staff will be represented through the recognised associations of the various categories of Class III and Class IV Government employees. The recognised associations will be requested to submit a joint list for nominations on the Council. In case of difference of opinion, representation to the various associations will be allowed on the basis of the strength of membership. A convention will be allowed to develop so that all decisions are taken by agreement of both the staff and the official side. In the absence of unanimity the decision will be recorded only after majority from either side agree to it. In case of disagreement, the matter will be referred to Government who may give its decision and communicate it to the Joint Council for further consideration and recommendations, if any.

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The trend towards the reorganisation and reinforcement of anti-

corruption machinery in States continues. The State Government of *Madhya Pradesh* has decided to constitute a seven-member Anti-Corruption Board with an Anti-Corruption Officer as its Member-Secretary and Chief Executive Officer. The new Board will replace the present Complaints Board inherited from the former *Madhya Pradesh State* (i.e., prior to its reorganisation in 1956) and the Anti-Corruption Branch of the Inspector-General of Police in the *Madhya Bharat* region. The main functions of the Board would be to advise Government on steps to be taken to combat bribery, corruption, misuse of public funds, embezzlement, etc.; to scrutinise the reports of the Commissioner for Departmental Enquiries on departmental enquiries conducted by him against gazetted officers; and to supervise generally the work of the Anti-Corruption Officer and the Commissioner for Departmental Enquiries. The Commissioner for Departmental Enquiries will conduct all important enquiries on charges of corruption and the like falling within the purview of the Anti-Corruption Board, on being authorized to do so by a competent authority. In the case of gazetted officers, the report of the Commissioner will be placed before the Anti-Corruption Board and the recommendation of the Board will be taken into account before issue of the final orders by the appointing authority.

In *Bihar*, the Government has decided to appoint a Special Officer to function as an Inquiry Officer in respect of all important departmental proceedings under the administrative control of departments of Government.

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Following the revised arrangements introduced in August 1958

for budgeting, financial scrutiny and control and the devolution of wider financial powers to the administrative Ministries with a view to securing greater efficiency and the speedier implementation of development plans, the Central Government has promulgated "The Delegation of Financial Powers Rules, 1958". The Book of Financial Powers (including the Schedules) and certain provisions of the General Financial Rules, in so far as they relate to financial powers, have been incorporated in the new Rules. These Rules prescribe revised and enhanced financial powers for the "Departments of the Central Government", "Administrators" and "Heads of Departments" in respect of the creation of permanent and temporary posts, appropriation and re-appropriation, contingent and miscellaneous expenditure and write-off of losses. The powers of "Administrators" in regard to sanctioning of expenditure on schemes and indents, contracts and purchases, and of "Heads of Departments" in regard to these two matters as well as grants and loans, have not been specified in the new Rules. The Ministries have been requested to take up this question on a priority basis, and meanwhile the existing powers of the "Administrators" and "Heads of Departments" will continue.

In *Bombay*, greater financial powers have been delegated to Administrative Departments, Heads of Departments and Regional Heads. The Administrative Departments have been given powers in respect of creation of temporary posts, expenditure on contingency including purchase of furniture, reappropriations,

re-employment of superannuated Government servants etc. The Departments have also been authorised to accord administrative approval to plans and estimates for civil works other than residential building up to Rs. 1 lakh. The powers of various Heads of Departments have been generally doubled and all the Regional Heads have been generally delegated the same financial powers as are exercised by the Heads of Departments.

In *Mysore*, Government has decided to transfer the control over the Divisional Accountants of the Public Works Department from the Chief Engineer to the Controller of State Accounts.

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Among the important committees, commissions or boards which have recently been set up or are in the process of formation are a Central Committee on Employment; a National Board for Audio-Visual Education; an Advisory Committee on Administration and a Committee on Re-demarcation of Districts and Divisions in Punjab; a Fact-finding Committee for Economic and Administrative Survey of Scarcity Areas, a State Youth Welfare Board and a State Educational Council in *Bombay*; an Advisory Committee for each district and a State Board of Transport in *Madhya Pradesh* and a seven-member Canal Board for *Rajasthan*. The *Rajasthan* Government has also issued fresh instructions redefining the duties and functions of District Officers (Collectors) and vesting them with powers of supervision in respect of all development and welfare activities.



## NEWS FROM ABROAD

The XIth International Congress of Administrative Sciences will be held in the Kurhaus, at Wiesbaden, Federal Republic of Germany, from August 30 to September 3, 1959. The agenda of the Congress will comprise : devolution of powers to autonomous institutions, including professional bodies and universities; structure and operation of the Ministry of Finance; increasing the efficiency of administration by better motivation of the public servant (including devices such as incentives and awards); and automaton : relevant problems in public administrative agencies.

In the *United Nations*, a substantial reorganisation of units of the Secretariat has been made effective from February 1, 1959, as a result of which the activities in public administration are now directly under the Secretary-General through an Office of Public Administration. In addition, the Office will be responsible for executing the new programme, authorized by the recent 13th Session of the General Assembly, to provide operational and executive personnel, on request of governments. This programme, now called "OPEX" was first proposed by the Secretary-General as an "International Administrative Service". The U.N. Technical Assistance Administration has also been unified with the substantive Department of Economic and Social Affairs.

In *Pakistan*, an eight-member Administrative Reorganisation Commission has been set up under the chairmanship of Mr. G. Ahmed, Chairman, Planning Commission.

In the *U.K.*, the Treasury has announced new arrangements for recruitment to the executive and clerical classes of the Civil Service. They would widen the field of recruitment and take account of changes in educational trends. Young people with the necessary qualifications in the General Certificate of Education examination will now be considered for executive class posts if they are under 24 (the upper age limit previously was 19½); and interviews for qualified candidates will be held more often than once a year, as in the past, so that those who have passed the General Certificate of Education examination at the necessary standard will not have to wait before being considered for the Civil Service. In the clerical class the upper age limit for candidates is now raised to 19. Where there is a shortage of staff, competitions for clerical officers' posts will be open to anyone with suitable educational qualifications who is between the ages of 16 and 59. The clerical assistant grade has up to now been open only to women aged 15 to 20, and to clerks aged 40 to 59, who are temporarily employed in the Government service. In future, young men aged between 15 and 19 will be able to enter the open competitions for this grade.

## INSTITUTE NEWS

The new buildings of the *Institute* and the Indian School of Public Administration were formally opened by the President of India, *Dr. Rajendra Prasad*, on January 31, 1959. *Dr. Rajendra Prasad* was received by the *Institute's* President *Shri Jawaharlal Nehru*. The *Institute's* new site has an area of 6 acres, with approximately 50,000 square feet of built-up area. In addition to the accommodation for the administrative offices, the editorial and research staff, the teaching staff of the School and lecture rooms for students, and a conference hall, there will also be, when all the buildings are completed, an assembly hall to accommodate 500 persons. The hostel can accommodate 120 students and officials of the Central, State and Local Governments. The library wing has a three-tier shelving accommodation for about 2,00,000 books, a large reading room, a periodicals and reference room and a room for research scholars.

*Shri M.S. Ramayyar*, who was till recently Additional Deputy Comptroller and Auditor-General, joined the *Institute* on January 2, as Deputy Director.

The *Institute* convened a Conference on 'Morale in the Public Services' on January 3-4, 1959, at Vigyan Bhawan, New Delhi, under the chairmanship of *Shri C.D. Deshmukh*, Chairman, University Grants Commission. Inaugurated by *Shri Govind Ballabh Pant*, Union Minister for Home Affairs, the Conference was attended by about 32

persons representing experience of Central and State Governments, Parliament, Universities and other spheres of national life. The agenda of the Conference was : (1) Recruitment, Training, Terms of Employment and Working Conditions; (2) Human Relations and Internal Communications; (3) Public Servants, Legislators and Ministers; and (4) Public Servants and the Public.

A one-month refresher course for Military Lands and Cantonments Service Officers has been organised by the *Institute* at the request of the Union Ministry of Defence; it was inaugurated on April 6 by *Shri V.K. Krishna Menon*, Minister for Defence.

A series of five lectures were delivered at the *Institute* by *Prof. Henry C. Hart* of the University of Wisconsin, U.S.A., from December 16 to 22 on the administrative problems of River Valley Development. Another series of five lectures on 'Union-State Relations in India' were given from March 26 to 31 by *Shri K. Santhanam*, who was Chairman, Second Finance Commission. Other lectures delivered included 'University Education in the U.S.A.' by *Dr. Clark Kerr*, President, University of California, on January 6; 'Inter-Governmental Relations in Social Welfare' (Group Discussion) by *Dr. Eveline M. Burns*, Professor of Social Security, School of Social Work, New York, on January 17, and 'Education for Executive Development' by *Sir Noel Hall*, Principal, Administrative Staff College, Henley-on-Thames, England, on February 6.

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## DIGEST OF REPORTS

*ESTIMATES COMMITTEE, 1958-59, 33rd Report [Ministry of Steel, Mines and Fuel—Hindustan Steel (P) Ltd., Rourkela, Bhilai and Durgapur Steel Projects.] New Delhi, Lok Sabha Secretariat, 1959, xiv, 178p. Rs. 2.10.*

The main findings and recommendations of the Committee are given below :

### (a) Organisational Matters

1. It would have been desirable to entrust the Bhilai and Durgapur projects to the Hindustan Steel (P) Ltd. from the beginning since the machinery of Government departments is not generally suited to undertake such projects departmentally even in the initial stages when in fact the bulk of the negotiations are carried out and agreements entered into.

2. The Government would do well to define in broad terms the qualifications of the Chairmen and Members of the Boards of Directors of industrial undertakings in the public sector in the country, as is the practice in U.K. Keeping in view the tasks to be performed and the requirements therefor, the Members of the Board of Directors might be drawn from a wider sphere than at present and that more technical experts and experienced men from public life and from various non-official sources be appointed to the Board, though care would have to be taken that no one with a direct interest in the same industry in the private sector is appointed. The terms of service of the Directors might be so framed to attract capable men.

3. More full-time Directors should be appointed on the analogy of the Railway Board and that, to

the extent possible, continuity among the full-time Members should be ensured. For better administration and co-ordination, each full-time Director should be entrusted with the responsibility of certain Departments of the Company.

4. Government might consider whether it is feasible in the case of Hindustan Steel (P) Ltd., and other nationalised undertakings, to adopt the principle suggested by the Advisory Committee of the National Coal Board of U.K. that the non-official Directors on the Board should have the right of access to the Minister if they wish to draw his attention to any matter of importance affecting the industry.

5. The association of the Secretariat officials on the Board of Directors of the Hindustan Steel (Private) Limited might be terminated as early as possible. Pending that there should be some arrangement in the Government for examination of matters, which come up from the Company for their consideration and approval, by officers different from and independently of those who are on the Board so as to facilitate objective and independent examination of these matters.

6. The circumstances in which the Government might intervene in the affairs of the Company should be clearly specified and that, except in such circumstances, the responsibilities of the Company with regard to the Projects should be specific and unambiguous.



7. It might be advisable for the Board to have a larger number of Committees for different purposes with different but specific membership instead of the present multi-purpose Committee with indefinite membership. In the new Committee, the non-official Directors might be given an active part to play by making them chairmen of some of the Committees.

8. There might be a local Board of Management for each project which could function independently on all local matters. It might consist of the General Manager and all the heads of Departments of the project.

9. The selection of such responsible posts as General Managers of Steel Projects should be made not merely from among civil servants but from a wider sphere. The main consideration in this regard should be that the General Managers should be able to exercise the powers devolving on them without fear or favour and they should not look to headquarters for guidance or orders on routine matters. They should be able to deal with the Members of the Board of Directors or the Minister at near-equal level and maintain the autonomy of the local management subject to the general policies of the Company and the Government. In addition, it would be desirable for the General Managers to have some industrial background particularly of the industry which they have to deal with. There should also be continuity in the posts of General Managers.

10. The location of the head office of Hindustan Steel (Private) Limited nearabout the area of operations would enable it to function independently on business lines instead of looking to Government for advice and guidance in all matters.

### (b) *Personnel*

1. The Committee suggests that the requirements of staff in the Department of Iron and Steel be reviewed. It would be desirable in the interest of efficiency and effecting co-ordination if instead of three Secretaries each looking after a separate plant, only one Secretary is entrusted with the overall charge of co-ordinating the work in the three plants. He might, however, be assisted by Deputies, if necessary.

2. A systematic job analysis might be conducted in the Headquarters Office of the Hindustan Steel for determining the strength of the various categories of personnel so that uniform criteria are adopted for providing staff to the various officers. In the project offices also job analysis might be carried out and staff strength determined on a scientific basis.

3. The Committee reiterates the recommendation contained in para 75 of the 39th Report (First Lok Sabha) that a separate Public Service Commission with slightly different and more flexible rules and procedures might be set up for the purpose of recruitment to posts in the Undertakings in the Public Sector. Meanwhile the existing Selection Committees should be broad based to include prominent non-officials and technical experts from outside so as to create greater confidence in the objectivity of the selections. In regard to the recruitment of foreign trained Indians some uniform standards regarding academic qualifications, types of training received, experience, etc. should be laid down for purposes of pay-fixation and given wide publicity. The Hindustan Steel should draw on the pool which the Man-power Sub-Committee of the Cabinet is reported to have decided to maintain for

their requirements of foreign trained personnel as far as possible.

4. The decision to import foreign workers for work in the blast furnaces at Rourkela was an ill-considered decision and that the expenditure incurred on that account was avoidable.

5. In spite of the acceptance by Government of the recommendation contained in para 24(i) and (ii) of the 16th Report of the Committee (First Lok Sabha) that unskilled and semi-skilled labour should be recruited mainly from among the local people, it is surprising that the position has not improved in actual practice. Effective steps should be taken for the implementation of these recommendations.

6. The Training Institute recommended by the Technical Personnel Training Committee should be set up and arrangements for training made therein as early as possible. It would be desirable for the trainees to possess adequate technical experience, as also some experience of the job that they are expected to perform on return, before they are sent for training.

7. The suggestions (i) that the number of engineers sent or proposed to be sent out for training was too large, and (ii) that instead of foreign training, foreign instructors could be imported to give training to others in India, might be carefully considered by Government.

8. The number of foreign experts should be kept to the minimum and that efforts should be made to obtain the maximum results from them by a well-planned replacement by Indian counterparts. It might, perhaps, be advantageous if the Indians are put in charge of the Sections as far as possible while the foreign technicians

are entrusted mainly with the job of guiding them.

9. The feasibility of introducing the scheme of participation of labour in management in the new steel projects might be considered as early as possible.

### (c) *Production Planning, Consultants and Contracts*

1. Forethought and adequate planning had not gone into the decisions taken from time to time to set up the steel plants in the country. In taking a decision on the Consultants' Report the Government lost five valuable years and a very good opportunity to put up the steel plants in the country at a cheaper cost at a time when they were most needed. Had the steel plants been erected as suggested in 1949, they would have gone into production by 1954 or 1955. They would also have saved the country from importing large quantities of steel which cost large sums of money in the shape of foreign exchange. There is evidence that if decision to set up steel plants had been taken in time, they would have cost 40 to 50 per cent less.

2. The costs of the projects have been rising. The rise in costs have been explained as partly due to increase in the level of prices, but it seems evident that it is also due to unsatisfactory estimation, planning, agreements and contracts. The value of contracts has gone up by nearly three times in many cases. The necessity for such a large revision has risen only because the data on which tenders were called was not complete. The payment of advances to the contractors is contrary to the principle of open tender contracts and the grant of advances had vitiated the terms of tender on which the contracts were placed.

3. The ratio of likely production to investment in the three plants should be worked out and published at an early date. Early steps be taken to establish a well-trained and well-staffed cost-accounting organisation in the three plants on healthy and efficient lines so that an efficient costing machinery might be available from the time the production starts.

4. A comprehensive statement showing the estimates of all the items of expenditure connected with the three steel projects should be prepared and presented to Parliament at an early date. It is necessary for proper comparison of the estimates and the actual costs of the three projects that the estimates should be analysed on a uniform basis.

5. Government should, before approaching Parliament for approval of a project, prepare and indicate realistic and firm estimates of all financial requirements which might not vary much except for unforeseen changes in general economic conditions. Greater attention should be given to the preparation and scrutiny of financial reviews. It is also necessary that Parliament should be given full information about the plans, programmes and estimates of the undertakings every year along with the budget documents and in advance of the annual reports which are generally presented long after the year is over.

6. The arrangement under which consultants are also suppliers of

equipment is not satisfactory since there is a possibility that the advice given by the consultants might not be objective. The duties of the consultants might be broadly defined as far as practicable in terms of specific problems which might arise in the course of the development of the industry or execution of the projects. A comparison of fees for consultancy at the three projects by an expert technical committee is necessary with a view to laying down the broad principles on which the fees of consultants should be determined in future.

7. An important aspect of the projects, viz., the association of Indians in the planning and designing work, has not been given the attention it deserved. Even at this stage, attempts might be made to associate Indians with the consultants in greater measure.

8. A team of experts comprising persons well-versed in industrial, financial, legal and technical matters, might be appointed to make a more comprehensive study of the projects with particular reference to the agreements with consultants, project reports, contracts, arrangements made for training the personnel, etc., not necessarily to pick holes in regard to them but to enable with their help to make suggestions for avoiding difficulties in future. The report of the team so appointed should be made available to Parliament.

*LAW COMMISSION OF INDIA, 1958, 14th Report—Reform of Judicial Administration, Vols. I-II. New Delhi, Ministry of Law, Government of India. 1282p.*

The more important recommendations made by the Law Commission in its report on 'Reform of Judicial Administration' are as follows :—

### *I. Supreme Court*

1. The best talent among the judges of the High Courts has not always found its way to this court.



It is widely felt that communal and regional considerations and executive influence have been responsible for some appointments. An effort should be made to directly recruit distinguished members of the Bar, with a tenure of at least ten years in the interests of the stability of judicial administration. The Chief Justice of India should have a tenure of at least five to seven years. The practice of appointing the senior-most puisne judge of the court as the Chief Justice of India is not desirable because the duties of the latter require not only a person of ability and experience but also a competent administrator capable of handling complex matters. Instead, the most suitable person whether from the court, the Bar or the High Courts should be chosen.

2. The pension of a judge and of a Chief Justice, who retires after fifteen years' service, including service, if any, in a High Court, should be Rs. 2,500 and Rs. 3,000 per month respectively, with proportionately less amounts for shorter periods of service. The leave allowances of a judge should be at least as liberal as those of a High Court judge. It is not consistent with the dignity of retired judges to have chamber practice. Retired judges should be barred from accepting further employment under Government except as provided under Article 128 of the Constitution.

## II. High Courts

1. Unsatisfactory appointments made on political, communal and regional or other grounds, have resulted in the diminution of the out-turn of work and contributed to arrears. While it should be open to the State executive to express its opinion on the suitability of a person proposed by the Chief Justice for High Courts, it should not be open to

it to propose a nominee of its own and forward it to the Centre; if it does not agree with the recommendation made by the Chief Justice, he should be asked to make another proposal. Further, to avoid delays, it would be advisable for the Chief Justice to send a copy of his recommendation direct to the Chief Justice of India. Article 217 of the Constitution should be amended to provide that a judge of a High Court should be appointed only on the recommendation of the Chief Justice of a State and with the concurrence of the Chief Justice of India.

2. Merit should be the sole criterion in appointing judges; and for the purpose of recruitment, the entire country should be treated as one unit. Further, an effort should be made to persuade suitable senior legal practitioners to accept judgeships at least for a short period as a public duty. For this purpose, an *ad hoc* body presided over by the Chief Justice of India should be created to draw up a panel of persons suitable for such appointment.

3. The seniormost puisne judge should not automatically be appointed as the Chief Justice of a High Court unless he is able, experienced and competent. The appointment should be with the concurrence of the Chief Justice of India. While there is no need to have a rule that the Chief Justice shall always be from outside the State, yet when a vacancy arises in the office, the fittest person should be selected, if necessary, from outside.

4. Meagre pensions have driven retired High Court judges to practise at the Bar or to seek employment. The pension of a Chief Justice and that of a judge retiring after twelve years' service should be increased to Rs. 2,000 and Rs. 1,750 per month respectively. Judges should be

allowed to draw full salary for the period for which they are entitled to leave on full allowances and half salary for the period of leave on half allowances. They should not be permitted to practise in any court after retirement in view of the increased pensions recommended. A retired judge should also be barred from accepting any employment under government other than as a judge of the Supreme Court.

5. The ripe experience demanded of High Court judges requires that their retiring age should be raised to sixty-five years; this enhanced age of retirement and recommendation about leave should apply only to judges appointed in future.

6. Increase in the normal work, expansion of special jurisdiction under various Acts, petitions for the enforcement of the fundamental rights guaranteed by the Constitution, the faulty tests adopted by the executive in assessing the necessary judge-strength, delays in filling vacancies and deputation of judges for work other than purely judicial have contributed to the large arrears.

7. The permanent strength of the High Courts should be refixed after taking into consideration the recent increase in their work and the strength so fixed should be reviewed at intervals of two or three years.

8. The Courts should work for at least 200 days in a year. Once this is done, it should be left to the courts to regulate vacations. Judges should sit in court and do judicial work for at least five hours on every working day. They should not be required to sit in court on Saturdays which are not really free days for them. Judges should set an example of strict punctuality on the Bench; the practice of retiring into chambers for dictating judgments or for doing

administrative work during court hours is not desirable.

### III. Subordinate Judiciary

1. The designations of judicial officers vary from State to State. There should be one State Judicial Service divided into two classes—class I consisting of district judges or other equivalent posts and class II comprising two grades of officers, namely, munsifs and subordinate judges. Recruitment to the State Judicial Service—class II, should be made on the result of a competitive examination conducted by the Public Service Commission. The upper age limit for recruitment should be fixed at thirty years; one of the qualifications should be a minimum of three years' practice at the Bar; and the examination should be of a practical character.

2. In order to attract to the judiciary capable young graduates, an all-India judicial service should be created which should man forty per cent of the posts in the State Judicial Service—Class I. Officers for this service should be selected by means of an all-India competitive examination on the lines of the I.A.S. examination. Candidates for this service should be law graduates between the ages of 21 and 25 years and should offer at least two optional papers in law; no minimum period of practice at the Bar need be insisted upon. Officers of this service should, as a rule, be allotted to States other than their home states in order to foster an all-India outlook which is of vital importance to the nation. They should be trained for a period of two years, first in the I.A.S. Training School where they should take up for study, in addition to the I.A.S. officers, subjects like Civil Procedure Code, Company Law and the like. After training in the I.A.S. School, further intensive training

should be given for a year in the State to which the officer is allotted. The emoluments of the I.J.S. officers should be the same as those of the I.A.S. officers.

3. The remaining sixty per cent of the posts should be filled in moieties by promotion from the State Judicial Service—Class II, and by direct recruitment from the Bar. The minimum requirement for the latter recruitment should be seven years' practice and an upper age limit of forty years.

4. The pay scales of judicial officers should be the same in all States as they do exactly the same work and have precisely the same qualifications. The starting pay of civil judicial officers is, generally speaking, too low. The pay of district judges should not be less than that of I.A.S. officers on the senior scale and should be fixed with some advance increments on the basis of their service in the subordinate judiciary. There should be no difference in the pay scale of district judges, additional district judges and others holding corresponding posts as they do substantially the same type of work.

5. Promotions should not be on the basis of mere seniority but only on grounds of merit and ability, as the morale of the officer will be sapped if the judicial work which is capable of appreciation is not recognised.

6. In order to facilitate recruitment to the Subordinate Judiciary from the Bar and also to have the services of experienced officers with maturity of judgment, the age of retirement of judicial officers should be raised to 58 years; they should not, however, be re-employed under government after retirement.

#### IV. Administrative Bodies and Rule of Law

1. In the examination of administrative decisions both of facts and

of law, the French system is much wider in its sweep than the system prevailing in U.K. or in U.S.A. But as our people have great confidence in the High Court judiciary, it is desirable that the ultimate review of all administrative action should lie with the High Courts. The creation of a general administrative body like the *conseil D'etat* in France is therefore not favoured. It would be derogatory to the citizen's rights to establish a system of administrative courts which would take the place of the ordinary courts of law. Such a system may no doubt be useful on account of its cheapness, speed, procedural simplicity and availability of special knowledge; nevertheless in our country which is influenced by the idea of rule of law, it should not be conceived of as a device to supplant the ordinary courts of law.

2. Decisions should be demarcated into (a) judicial and quasi-judicial decisions, and (b) administrative decisions. Against judicial and quasi-judicial decisions, an appeal on facts should be provided to an independent tribunal presided over by a person qualified as a High Court judge and assisted by a person or persons with administrative or technical knowledge. A further appeal or revision on questions of law may lie to the High Court, in which a separate division called the "Administrative division of the High Court" as suggested by Spens Committee in England, may deal with such matters. In the case of administrative decisions, provision should be made that they should be invariably accompanied by reasons, to make it possible to test the validity of decisions by appropriate writs.

3. All the tribunals delivering administrative judgments should conform to the principles of natural justice, and should act with openness, fairness and impartiality. Legisla-



tion providing a simple procedure embodying these principles for the functioning of tribunals may be enacted. Appropriate legislation will have also to be enacted requiring the administrative bodies or officers discharging judicial or quasi-judicial functions to conform to this procedure.

4. As there has been a large increase in the High Courts of petitions of Government servants seeking redress in service matters under Article 226 of the Constitution, appellate tribunals consisting of experienced civil servants as members and presided over by legally qualified chairmen, may be established both at the Centre and in the States to deal with memorials and appeals from Government servants in respect of disciplinary and other action taken against them. This will provide a speedy remedy in checking cases of injustice and the order of the qualified tribunal will enable the courts to reject all frivolous petitions summarily.

#### *V. Legal Reform and Legislation*

1. There should be a permanent body or commission, consisting of full-time members, at the Centre charged with the duty of periodically revising the enactments in the light of developments in law and for consolidating, co-ordinating and remodelling them in the context of changed conditions, modern legal concepts and fresh legislation. Similar bodies should be established in the States.

The Lok Sabha Committee on Subordinate Legislation has done good work in this connection, such bodies may therefore, be established in the State legislatures also. But even such a parliamentary body has neither the time nor the means to subject the rules to detailed examina-

tion. Therefore, whenever possible, important rules should be submitted for prior scrutiny to the permanent commission assisted by an officer of the administrative department.

3. Proper publication of rules may be ensured by incorporating the provisions of the English Statutory Instruments Act of 1946 in the General Clauses Act (Act X of 1897).

#### *VI. Separation of the Judiciary and the Executive*

As there is a lurking opposition to the principle of separation in some States, separation may be effected by central legislation on the model of the Bombay Separation of Judicial and Executive Functions Act (XXIII of 1951). Till this is done, the States which have not so far introduced separation, should do by executive orders and bring the entire criminal judiciary under the administrative control of the High Courts.

#### *VII. Legal Education*

1. The system of legal education has been defective and is not calculated to produce either jurists or competent legal practitioners; and in recent years, there has been considerable deterioration in the standards of legal education.

2. Only graduates should be allowed to take the degree course in law. Persons who are in employment or who are pursuing other courses of study should not be permitted to join full-time law colleges. For the benefit of persons in employment who wish to acquire knowledge of law, a diploma course may be conducted; but they should not be eligible to enter the legal profession.

3. The university course in law should extend over a period of two years and should be confined to the

teaching of the theory and principles of the law. Procedural, taxation and other laws of a practical character should not be included in the university course but should be taught during the period of practical training, as such subjects would have more importance to the students aspiring for a professional career.

### *VIII. Panchayat Courts*

1. A determined effort should be made to establish and popularise panchayat courts in States where they are not firmly established. To avoid factional and partisan influences, a panchayat court may be constituted for a group of villages. In disposing of disputes arising from any particular village, the nyaya panchas should be from other villages, or each party may be permitted to select his panch and the sarpanch should preside over the Bench.

2. The nyaya panchas should be nominated by a suitable authority out of those elected panchas who possess certain prescribed qualifications, like literacy, reputation for impartiality etc. They should be given proper training before exercising judicial functions. To provide

for continuity of trained panchas, their retirement may be staggered.

3. These courts should not be bound by procedural laws or by the law of evidence. Revisions from their decisions should lie to the munsif or the sub-divisional magistrate, who should be empowered to transfer a case from one panchayat court to another or to the regular court for trial.

### *IX. Ministry of Justice*

In view of the need for a co-ordinated policy, a properly equipped Central Ministry that could act not only as a storehouse of information but also lay down standards in the matter of judicial administration for all States, is necessary. Such a Ministry should also be charged with the task of ensuring that the High Courts in the various States possess adequate and competent personnel and may also assume control of the proposed Indian Judicial Service. As the creation of such a Ministry might take some time, a Special Officer should be appointed to take up the task of speedy implementation of the Report because many of the matters which have been dealt with in the Report require urgent and prompt action.

## BOOK REVIEWS

*PUBLIC ADMINISTRATION AND POLICY FORMATION*; Ed. by EMMETTE S. REDFORD, Austin, University of Texas Press, 1956, xiv, 319p., \$5.75

As the editor states in the introduction all five parts in the volume are based on a dissertation in political science written under his supervision at the University of Texas. Economic policy and economic administration, both of which are becoming increasingly important, are the themes of these essays, each one of which deals with a separate field of public economic activity. Of the five accounts two, petroleum production in Texas and Lower Colorado River Authority, deal with limited state regions of operation, while the remaining three, regulation of natural gas, supervision of banking and the Federal Trade Commission have a nationwide jurisdiction. All the parts are replete with factual data of operation of the several administrations which have been collected by long association and intimate knowledge of the fields of study. They should, therefore, be of considerable interest and profit to students of public corporations.

The main interest of the book consists in the record of shifting relationships between the legislative and executive wings of government on the one hand and the several corporations on the other. Almost as a universal experience it is seen that the efforts of individual legislators and sections to influence action of corporations outside the normal procedure have gradually lost in importance, as the corporations have gained in self-assurance, prestige and independence. The legislative as such has rarely attempted to limit the independence of corpora-

tions too rigidly, and the advantage of limiting the scope but not the manner of operation of independent corporations is being increasingly realised. One area of relationship between corporations and the state, that which defines the relationship between the executive and the corporation is still in a flux, and the several facets of this topic brought out in the book would serve as valuable data for further study. There is no doubt that personalities at the two ends, in government and in the corporation, play a decisive part in the actual working of this relationship. But there ought to be at any given time a generally accepted "philosophy" of the subject. One may try and gather it by putting together the explicit and implied suggestions of these essays.

The first chapter written by Prof. Willbern of Alabama deals with oil regulation in Texas. It shows how easily procedural arrangements can be adapted to programme needs. It also reveals much about informal methods and the elusiveness of information about the actual purposes and processes of government. Dr. Huitt of Wisconsin, while dealing with regulation of the natural gas industry by the Federal Power Commission illustrates the insufficiency of administrative agencies to achieve their declared objectives, the interweaving of administrative, judicial and legislative participation in the making of policy and the shifting of policy contents from one department of government to another. Dr. Fox, who has contributed the longest of



the five essays, has discussed in detail the evolution as well as the working of the mechanics of regulation in terms of the peculiar needs of banking. Prof. Clay's story on the L.C.R.A. shows, among other things, that alertness and aggressiveness of administrators, and good internal management, are necessary to attain the goals set before a corporation. Dr. Hall's chapter, which completes the series, focusses attention on the results of the investigatory function of the Federal Trade Commission.

Dr. Hall was interested in finding out whether, to what extent and in what ways the investigations of the Commission had influenced public policy. Dr. Hall summarises his findings as follows:

"Apart from its wartime service to various executive agencies, the Federal Trade Commission has not, through its investigatory work, rendered extensive aid to the President or the Attorney-General. Nor has the Commission always met a favourable reception in Congress in matters relating to its investigatory function. Limitations upon appropriations for support of the function served effectively during the past twenty years to

reduce the amount of the Commission's work and thus its opportunity for constructive accomplishment. . . . . Many of the Commission's recommendations, while certainly of significance and merit, have elicited little or no response from Congress or other government agents. And when Congressional response has been forthcoming, it not frequently has taken the form of active opposition to commission proposals, going so far in the case of basing-point pricing, for example, as actually to threaten significant commission accomplishments. The total effect of these various limitations and reactions by Congress has been to reduce drastically the importance of the investigatory function as a source of information and policy suggestion for the legislative branch."

Whereas the experience of the five corporations is variable in detail, the broad conclusion that while in administration corporations have played an increasingly important role, in matters of policy-making their suggestions have been treated with considerable reserve by the legislature, and occasionally even by the executive, seems to be inescapable

—D. G. Karve

*PUBLIC ADMINISTRATION IN THEORY AND PRACTICE;* By M.P. SHARMA, Bombay, Kitab Mahal, VIII, 508p. Rs. 10.

A good book on Public Administration in India is long overdue. However, the reader who expects Dr. Sharma's book to supply this want is likely to be disappointed. It is based on the notes of his lecture to students of his university offering the subject of Public Administration for their degree examinations. The model followed is L.D. White's Introduction to the Study of Public Administration and the model has been adhered to even to the extent of devoting a disproportionate amount of space to examining the

concept of the chief executive in a presidential type of government or explaining the working of Independent Regulatory Commissions and matters of that kind which are of only limited interest to a general student of public administration in India. Moreover, following White's model the treatment of many of the topics is somewhat diffuse; for example, the examination of 'Organisation' has been spread over several chapters which besides involving a considerable amount of needless repetition, has resulted in the absence

of clear analysis of the basic problems of organisation without which an effective comparative study is not possible. In a comparative study of public administration, which is what the book claims to be, it is necessary to examine the practices followed in countries other than United States or the United Kingdom at least in those spheres where they appear to follow different practices. If that had been attempted, the author could not have overlooked the constitution of the boards of management of nationalised industries in France, or the Australian practice of recruiting the bulk of its personnel at school-leaving age and the working of the Australian Public Service Board and similar matters. Since excessive reliance has been placed on published books of the text-book variety to the exclusion of original sources like parliamentary papers and articles in journals and reviews, much useful material, like the modifications of the recommendations of the Masterman Committee as a result of consultation with the Staff Side of the National Whitley Council or the constitution of a Select Committee of the House to scrutinise the annual reports and financial statements of the nationalised industries in the United Kingdom, has been missed. Even more serious is the failure to give sufficient prominence to Indian conditions. To cite an example, though there is a fairly long chapter on 'Government Corporations', it does not attempt to review critically the various Acts of Parliament constituting these Corporations to ascertain the evolution of the ideas regarding their constitution, control etc. nor has the increasing use of the company form of management operating under the Indian Companies Act been noticed. And certain aspects of the subject relating to direction or management in public

administration have not received that degree of attention which their importance deserves. The difficult concept of leadership has been dealt with in a couple of pages mainly in relation to the political executive and the need for leadership at other levels, the nature of such leadership and the qualities appropriate to it, how to devise suitable procedures for recruitment and training to secure such leaders have all been overlooked. Communication as an aspect of the work of management finds no mention at all, not even in the index. The treatment of supervision is very cursory and it has not even been attempted to explain that one of the basic functions of supervision is to ensure that the work that is done is the work that is intended to be done nor is the role of supervision in securing co-ordination effectively brought out. The result is that what has been termed the human aspect of administration which is what makes the administrative machines function has not been adequately appreciated.

Since the book appears to have been written in the middle of 1955 and published in the middle of 1958 without any revision of the text, various important developments during the last three years, both in the country and outside, which would otherwise have received notice, have been ignored. The numerous errors of fact in regard to Indian conditions and Indian practices, and carelessness in proof-reading which has allowed too many grammatical and printing errors to remain uncorrected detract from the appeal of book. The result is that while university students will certainly find the book useful as a short cut to passing their examinations, it is unlikely to appeal to a serious student of the subject.

—K. Radhakrishnan

*INTRODUCTION TO EDUCATIONAL ADMINISTRATION*; By RONALD F. CAMPBELL, CORBALLY, RAMSEYER, Boston, Allyn and Bacon, 1958, xvii, 434p. \$8.00

The scope of *Introduction to Educational Administration* is indicated in the foreword to the book. The authors say that they have written the book with several purposes in mind. It "will serve equally well as a text for students and as a source of information for many other interested individuals. It is aimed primarily at assisting in the orientation of the prospective educational administrator. We have tried to give such a person an overview of the field and the means to evaluate himself as a potential administrator. Possessing this information, the student or beginning administrator will be in a better position to decide whether or not educational administration is the profession for him. If he decides in the affirmative, the book can be useful in helping him to plan his preparation for the job and for his continued professional development."

The book is divided into three parts. The first part is called 'The Job' and contains a description of educational administration. In this part the authors examine the history of education and its meaning for administration, the nature and purpose of educational administration, the tasks involved in it and the various factors that enter into it. The role of the teacher in the administrative process is also examined here. The second part is called 'The Man'. This describes the character of the good administrator, and the qualities required to become an effective administrator. The authors examine the competencies and the qualifications necessary for an educational administrator. The third part is called 'The Profession'. In this part the authors examine the professional opportunities and the challenges in educational administration.

*Introduction to Educational Administration* is a careful survey, in simple and non-technical language, of the entire range of functions, responsibilities, opportunities and problems in the field of educational administration. The authors have confined themselves to the field of primary and secondary school administration: the university area is left out. The situations examined by the authors are of course what obtain in America. The book is characteristically American in its scope and outlook. There is an elaborate analysis of the functions of educational administration and the manner in which a person can train himself and equip himself for a job in this field. In places the book reads like certain other books in which one is told how to become wealthy and to win friends. It is an elaborate vocational guidance to the would-be school administrator. It is obviously based on the view that it is possible for a person to evaluate himself and to choose his vocation with care and complete understanding of all the factors involved in that vocation. A study of the book should enable a person to enter the field of school administration with a clear idea of what it involves, how far it will take him in the way of economic progress and what opportunities and challenges for self-expression and social usefulness it provides him.

*Introduction to Educational Administration* may not at first reading seem to have much bearing upon the Indian situation. In India persons enter the academic profession, whether at the teaching level or at the administrative level, largely by a hit or miss process. For too many people become or seek to become



administrators without any understanding of the goals, policies, and programmes of education in their State or country or the world as a whole. We have too many educationists and educational advisers who have never read a book on education or given a moment's thought to educational philosophy. From headmasters of schools to vice-chancellors of universities, from inspectors of schools to directors of public instruction, and from the junior-most assistants to the top-most educational advisers, there are a great many men and women in India who conceive their work as the application of rules that someone else has made or as the working out of some private idiosyncrasy. Opportunities to choose one's profession after a careful self-analysis and with reference to one's taste and interests are not too plentiful. But a study of this book would be a stimulating experience, not only to the educational administrator who has already entered on his career by accident or design but also to any future educator who desires to enter life consciously and with desire not only to fulfil oneself but to serve his community and his country. An ability to assess oneself is a prime requisite in a man or woman who

seeks to play his or her part in life intelligently. Philosophically this may be related to the ancient dictum 'know thyself'. But it goes beyond that. The writers of this book ask the student or the would-be administrator not only to know himself but also to know his environment and the world which he seeks to enter. A person prepared for his work, and doing it with the kind of awareness that this book seeks to make available to him, should be able not only to perform his duties satisfactorily but to avoid many of the frictions that arise in his work and the pitfalls into which administrators too often fall. Administrators who are able to relate their work to the philosophy that guides the life of their nation and to the culture which the citizens of their country seek to evolve for themselves can make their work a conscious contribution to the total edification of the nation.

Though parts of the book may seem to be over-elaborated, it is well worth careful study not only by a student of education but by all educated persons and all those who would seek to understand the educational process.

—Samuel Mathai

*WORK STUDY IN THE OFFICE*; By HARRY P. CEMACH, London, Current Affairs Ltd., 1958, viii, 166p. 25s.

"Work Study in the Office", by Mr. Cemach is an entertaining book despite the fact that it does not add much to the existing knowledge on the subject. It, however, compresses the methodology of work study in a neat 150 pages or so. The importance of the book lies in clearing the atmosphere, so to say, about the conduct of work study in office work. The technique of work study has come in for precisely the same objections and inhibitions in India as they have arisen elsewhere, thus indicat-

ing that human reactions to new schemes are practically similar everywhere in the world. Mr. Cemach has made an interesting observation in the following words:

"It is dangerous to rely on the 'opinion' of the office manager as to how much time is spent on what unless his opinions are the results of careful and planned work measurement".

It has been the tendency on the part of the supervisory officers in India

sometime to browbeat the work study man on the basis that they have long experience of the work. It was most often found, during actual work study, that this opinion was sketchy and that where it suggested heavy workload the officials were actually underworked! Secondly, it is a commonplace criticism in India that work study can only be applied to repetitive industrial jobs. The following quotation from Mr. Cemach would show that this criticism is by no means peculiar to this country:

"Work study in the office?" he said. "My dear fellow, don't try to sell me that newfangled bit of nonsense. Now, you chaps" (and here he was referring to those of my colleagues whose work is concerned mainly with efficiency in production) "may be all right in a factory. I admit you often get very excellent results. But an office is quite a different cup of tea. In our work the brain, not the hands, plays the vital part. Stop-watches couldn't do any good in my office, and I don't think they'd do any good in any other office either".

"Here (if proof was needed) was proof that a little knowledge is a dangerous thing. My friend was unable to distinguish between work study and time study. Time study is a part of, an instrument of work study. In the industrial field it is an important part; in the office it is of comparatively little importance. Anyone looking for advice as to how to invade offices with and how to improve offices by the use of stop-watches has picked up the wrong book."

In fact, the author is very positive about his views on productivity in office work and states: "I am convinced there is only one way to do it, i.e., the work study

approach of systematic investigation and scientific analysis. Machines and gadgets are not enough; hard work is not enough; good supervision is not enough, however necessary and important all these factors may be. The work study approach alone is the cement that holds all these together as bricks are held to form a wall". His enthusiasm is probably a little high pitched and he is attributing to work study the results which can only be achieved by a judicious combination of all the factors that he has mentioned above. The important fact to note is that work study is a major factor in efficient working of offices.

It is quite natural to ask: What is productivity in office? It is easy to understand this concept when applied to industrial production but what has productivity to do with office? This is how the author defines the end results of work study in the office:

- (1) Equal results at lower costs;  
or
- (2) better results at the same cost and preferably better results at lower costs.

The concept of cost of service is an excellent device as a starting point for analysis of organisations and their effectiveness. The Special Reorganisation Unit of the Ministry of Finance has been using this concept in convincing administrators that a study of their organisation is called for if the cost of service is not within reasonable limits. What is reasonable in the circumstances is apparent both to the administrator and the work study man having regard to the nature of the service rendered.

It is in the techniques used by the author for study and for work-measurement that the main merit of the book lies. All the methods of

recording facts, such as Procedure Narrative, Procedure Chart, Flow Diagrams, Flow Process Charts, etc., are in use in the Special Reorganisation Unit of the Finance Ministry though they have acquired a different local nomenclature. There are, however, two charts, namely "Specimen Chart" for the study of form and "Multiple Activity Time Charts" for group duty studies which add to our knowledge. In the sphere of work measurement the author has formed the views held by the Special Reorganisation Unit of the Finance Ministry that stop-watch studies cannot be undertaken in office except on rare occasions even in regard to repetitive work. The most common difficulty found by the Special Reorganisation Unit is the tendency to inflate timings in order to work out staff to a predetermined figure. The essence of work measurement in the office is that, where uneconomic operations are being carried out, first to break down the job into its elements, then each element into its constituent operations and to prove the absurdity of the unreasonable timings that are proposed by the organisations concerned. If the above technique is not found successful, the Special Reorganisation Unit has devised another technique, namely that of introducing what is called a guinea-pig (a novice), and comparing the timings taken by him with those proposed by the organisations concerned. Very often this technique has helped both the S.R.U. and the organisation concerned to understand more fully the implications of work measurement.

The book, however, does not deal adequately with the technique of case studies to establish time norms and work simplification methods. The latter is the most important job of work study analyst and it would have been a very desirable feature of the

book if the author had given some case studies to pinpoint the general observations that he has made on this subject. They do not add much to the knowledge that one derives from text-books on administrative analysis. He has not touched upon the question of work sampling. This presents considerable difficulties in India. Records of work are usually not kept in an analytical manner necessary for work study. Most often either new records have to be kept in order to enable data to be collected on proformas specially designed for the purpose, or *ad hoc* back periods are selected for proper classification of work-content of different jobs. In the former case the usual argument given is that the period is not representative enough for proper decisions to be taken. In the latter case, it takes considerable time to recast the back records into a workable frame for work study. It is necessary to devise some ways of scientific sampling of work in the office in order to avoid a controversy of this character which not only causes trouble to the work study analyst and to the organisation concerned but also adds to the time element of the studies. A considerable amount of work has been done on this problem especially in the U.S.A. but perhaps the author is not aware of it.

Work study is of no utility if the recommendations cannot be immediately implemented. Hence the need for close collaboration and active participation of those actually on that work or in charge of it in a supervisory capacity. The real difficulty that the work study analyst faces is whether he should draw up a report and if so, in what form. A long report practically makes an investigation still born as nobody reads it and it is difficult to be acted upon in any case. The tendency, therefore, is for a brief report to be



drawn up giving agreed conclusions and disagreements with pros and cons faithfully reproduced. The success of the work study man thus depends on the principle that agreed conclusions form the totality of the report. Unless both sides are out to create a deadlock there is usually no difficulty in reaching agreed conclusions on most essential points but considerable patient work is necessary. In the first place, the work study man has to inform himself of the objectives and procedures of work at least to the same extent as the persons actually engaged on it; secondly, he must have experience enough to be able to propose alternative solutions which are more economical without impairing the objective laid down; thirdly he should be able to sell out his ideas to the actual workers as well as to the management; fourthly it is expected of him that, whatever the situation, he will always produce some economies; fifthly, he is expected to accomplish all this in a miraculously short time. All this requires almost superhuman qualities for the work study analyst. All the virtues mentioned in the Book must be exercised by him, namely patience, tact, skill, salesmanship, etc. These points have been stressed by Mr. Cemach in his book. They are the accompaniment of the technique of work study everywhere and

our experience in India has not been different either.

The review may be concluded by referring to Mr. Cemach's attempt early in the book to clarify nomenclature. He is at pains to distinguish among the concepts of work study, O & M and the Consultant; the former two being internal while the latter is external. O & M is work study applied to clerical procedures; it uses coarser tools of work study but has an immediate task in hand namely of making the organisation function adequately. Work study is a more comprehensive concept as it involves all aspects of economic and efficient functioning. For example O & M may devise a procedure to get through a difficulty but it may not be economic or it may not discover other economies that arise as a result of analysis of work as a whole and not of procedures alone; the battle of nomenclatures is futile. Different words appeal in different situations and times. The field of improving office, which is the decision- and policy-making workshop, is tremendous and it has enough room for technicians working under different labels even concurrently provided there is a division of labour and the necessary co-ordination of efforts.

—Indarjit Singh

*THE BLACKCOATED WORKER—A Study in Class Consciousness;*  
By DAVID LOCKWOOD, London, George Allen and Unwin, 1958,  
213p. 21s.

This book embodies the results of prolonged and painstaking research covering major changes in the economic position and social status of clerical workers in the United Kingdom over the last hundred years; it incorporates the substance of a thesis approved by the University of London for the award of the degree of Ph. D. It is averred

that, although the proportion of working population employed as clerks has increased more than ten-fold over the last hundred years—from under 1% of the labour force in 1851 to over 10% in 1951—no serious attempt had been made to analyse this change in terms of social class. The study throws illuminating light, drawn from examination

of a wide range of sources, on some interesting facets of the position and relationship of the 'black-coated' workers to the working class and the Labour movement in the U.K., and examined the validity of prevalent misconceptions about the "proletarianisation", "snobbishness" and the "false" class-consciousness of clerks.

Statistics readily available for the years 1955-1956<sup>1</sup> would indicate a similar trend in India; the increase in the proportion of clerical workers among civilian personnel employed under the Central Government (other than Railways) appears to have been roughly from 20% to 30% during this short period. Likewise, it appears from certain studies by the United States Bureau of Labour Statistics that the proportion of *clerks and kindred workers* to the entire working population in the U.S.A. rose roughly from 10% to 20% between 1910 and 1950. (There is also another interesting fact: the proportion of craftsmen in the U.S. Labour Force is increasing despite the great advances in mass production techniques<sup>2</sup>.) Such observed trends would indicate that in developed as well as under-developed countries, the processes of industrial and welfare developments in the public as well as private sectors are accompanied by the proliferation of bureaucracy, of which clerical workers are an inevitable ingredient. Out of a total of 6.8 million clerical workers in the U.S.A. in 1950, of which 4½ million were women, slightly more than a million each were in public administration, trade, and the utilities, and over 1½ million in manufacturing. Again, out of every three persons of the working population, one is a woman.

Dr. Lockwood mentions that by 1951, clerks in the U.K. numbered well over 2 million, and six out of every 10 of these were women, which leads him to suggest that 'white-bloused' rather than 'black-coated' worker might now be a more apt nomenclature! In tropical countries, he might perhaps be described as 'white-shirted' worker.

Examination of the idea of 'false' class consciousness has given the overall direction to Dr. Lockwood's study. The clerk was regarded as belonging to the working class and sharing the same interests as the manual wage-earner. The reaction of the 'black-coated' worker to trade-unionism was, however, lukewarm: the clerk himself was not conscious of this community of interest, and did not align himself with the working class movement. The contemptuous term 'white-collared proletariat' came to be coined to emphasize the snobbishness of the 'black-coated' worker, for indulging in middle class pretensions on a working class level of living: "Canute-like they were standing out against the irresistible tide of proletarianisation". The author points out that this is a reflection of the general proposition that there is no necessary correspondence between what an individual believes his class position to be and what his class position actually is. He sets out to discover by an empirical investigation, the actual variations in the economic and social situation and experiences of clerks and manual workers and their relative positions in the administrative division of labour in the variegated social relationships of production to explain the divergence in their class awareness.

1. Employment News No. 12, August 1958 (D. G. R. & E., Ministry of Labour, Government of India).

2. American Reporter, December 10, 1958.

This involved investigation of the position and interaction of several factors, which have been examined mainly in three aspects. First, the 'market situation' *i.e.*, the economic position relating to the sources and size of income, degree of job security, and opportunity for upward occupational mobility. Secondly, 'work situation' *i.e.*, the set of social relationships in which the individual is involved by virtue of his position in the division of labour. And, finally, the 'status situation' or the position of the individual in the hierarchy of prestige in the society at large. The experiences originating in these three spheres are the principal determinants of class consciousness. The author points out that the first two factors, namely, the 'market situation' and the 'work situation' comprise the basic elements of what Marx essentially understood as 'class position', which resulted from the brute facts of economic organisation, as distinct from the 'status situation', which abuts upon the different perspectives of prestige in the phenomenon of social stratification, although class and status differences are closely related.

After exploration of the field, Dr. Lockwood sees no reason to believe that the outlook and behaviour of the clerk were a function of any psychological idiosyncrasy in his make up that could not be explained in terms of his peculiar social situation. The major features of the social and economic position of the clerk differ from those of the manual workers and differences in the attitudes of the two groups could be related to variations in their respective social environments. The internal skill differentiations with the advance of industrialisation, diversification of the occupational

structure, and the increasing heterogeneity of interests associated with this development, the incursion of the State into the management of welfare, have rendered obsolete the Marxian conception of a homogeneous class conscious 'proletariat'. It is a truism that all those who fall into the category of contractual labour do not necessarily share an identical market situation. The clerks as a group have never been strictly proletarian in terms of education, income, job security, and occupational mobility. They have had a relatively higher income as a traditional differential and a status reward. This was buttressed by the interests of employers in securing the loyalty and commitments of their office staffs, and the small part which their remuneration plays in the total cost of the enterprise relative to wages. The clerk could generally count on job security, conferring on him a relative immunity from those hazards which were the lot of the working class. Clerks have moreover non-pecuniary advantages in respect of cleanliness, comfort, working hours, holidays, marking them out as a superior type of employees. The clerks' relative proximity to the general organisation of discipline and the administrative authority have also tended to keep them at a distance from manual workers, and such conditions have not fostered concerted group action by clerks, except in those bureaucratic organisations where there are large office units, classification and grading of staffs, and impersonal and standardised working relationships with employers. Clerks have also enjoyed superior chances of rising to supervisory and managerial positions. This last factor has also been brought out in another book reviewed in this Journal<sup>3</sup>.

3. MANAGERS—A Study of Their Careers in Industry; By R. V. CLEMENTS, London, George Allen and Unwin, 1958—Reviewed by Shri G. L. Bansal in July-September 1958 issue (Vol. IV, No. 3).



Thus, the education required for the job, the rewards and responsibilities it offers, that it is clean and respectable, become the key determinants of status values : the class awareness of the clerk is seen as a faithful reflection of his class position. The social conditions flow from the prevalent methods of organisation of production, administration and distribution, *i.e.*, the work situation, with reference to the relationships with other employees, supervisors, managers, or customers involving identification with some and alienation from other groups. These lead on to the interesting conclusion that the interests and sentiments of a group are never purely economic in character and the matrix of social relations within which material satisfactions are experienced must also be considered in addition to the 'market situation'. In India, for instance, it is interesting to note that proposals of the Central Pay Commission in 1946, about the minimum pay for clerks were sought to be related to the cost of living among *Bhadralog* (middle class).

Dr. Lockwood's study brings out certain conclusions of a wider social significance, *e.g.*, attention is drawn to the interesting fact that status distinctions can aggravate or modify class-conscious feeling. For an example of the former, it is explained that during German industrialisation working class antagonism was exacerbated by the social isolation of this class in prestige terms from the rest of the middle class society and that this has been generally true also of

other European countries. By contrast, in the United States, where status distinctions were much less rigidly drawn and manual work did not carry the same social stigma, the effect was to alleviate class conscious feeling of manual working class, and democratic manners played an effective role in the pacification of the American working class. These observations are of considerable import in the context of our democratic set-up in India. Caste consciousness in India—originally a caste having been a democratic society of a sort including within its fold persons of almost all class gradations based on economic status—might, until a decade or two before, likewise have exerted a moderating effect on acerbities in working class consciousness.

The author also points out that the influence of prestige or social standing is to be detected in all class situations and is not peculiar to that of the 'black-coated' workers. Nonetheless, in the processes of change in the last half century, class factors have tended to prove more important than status factors in the explanation of variations in the development of 'black-coated unionism' making the line between the middle and working classes less distinct.

The book will be found useful by students of sociology and provides a good example of methodology to research scholars in social dynamics. It will also be found interesting reading by the general reader.

—B. D. Tewari

*THE CIVIL SERVICE IN INDIA*; By NARESH CHANDRA ROY, Calcutta, Firma K.L. Mukhopadhyay. 1958, xx, 328p. Rs. 15.

Shri Naresh Chandra Roy has published a scholarly and extremely well-informed book on the Civil Service in India for which all students of Public Administration in this

country will be grateful to him. The work is obviously the result of considerable painstaking research which goes back to the early days of the East India Company. This

historical account shows how many of the ideas which we now regard as almost axiomatic had to be fought for and decided over long periods of time. No serious student of Public Administration, for instance, now advocates anything than a system of competitive examinations for recruitment to the higher Civil Service and yet, this was by no means so self-evident a proposition to the authorities concerned at the end of the 18th century. The idea of competition developed slowly in England and patronage died hard. The intermediate system of training future civil servants of India in a special institution set up for this purpose at Hailesbury was for some period of time regarded as a substitute for open competition. The account of how this system functioned is of great interest to the students of administrative history even if it is not of considerable direct relevance to the present-day problems.

The work is also of great historical interest in so far as it traces the struggle for Indianisation of the services. The problem of Indianisation attracted much greater political attention in the 19th century than it did at a later stage of the struggle for freedom. The attitude taken up by the then British authorities also betrayed their anxiety not to do anything which will loosen their hold on the country. The struggle was in part a political one, but it is to the credit of the author that the history of the struggle has been narrated without any political bias. It is easy, in fact, it is tempting, to inject our present-day ideas on a controversy which raged in a different

context and to point out how those who opposed Indianisation as well as even those who demanded it had erred on the side of conservatism. Political controversies have, however, to be judged not by standards and events of later days but by the ideas current at the time in question. It is for the historian to maintain this objectivity and place the controversy in its proper perspective. In this Shri Roy has certainly succeeded for he has given an objective account of the controversy and narrated the history of events from the point of view of the time in which the drama was enacted.

While the book is of very great interest as a historical account of the development of the Civil Service up to the stage of Independence, one would have hoped for a more detailed account of the subsequent developments. It is, however, perhaps too early to expect such an account for the events are too close to form the subject of historical scrutiny and assessment. Nevertheless, the time will come when this excellent work by Shri Roy would be supplemented by a more detailed and critical assessment of the developments which have taken place since Independence.

The book I have no doubt will be studied with great interest not only by students of administrative history but by practical administrators today. It is only such a study which will give the administrator some idea of the traditions he is here to and make clear to him the role which he is expected to play.

—R. C. Dutt

## BOOK NOTES

*CABINET GOVERNMENT AND WAR 1890-1940*; By JOHN EHRMAN, Cambridge, Cambridge University Press, xi, 138p. 16s.

The book contains an extremely illuminating, historical account of the development of British Government's organisation for War from 1890 to 1940. The author does not carry the account beyond 1940, as he feels that it would be unwise to try to appraise the changes introduced during 1940-45 in advance of the authoritative military accounts, particularly when 'we are still involved in the results of those... extensive changes'. While at the end of the last century the British administrative system barely recognised the demands of war, the system had already been gradually adjusted to meet these demands on the eve of the first world war and to undertake further unprecedented strains. The author traces the process of adjustment—the origins of a system of Cabinet Committees co-ordinating the executive functions of departments in the 1890's, its growth and development during 1906-1915, its extension and reorganisation between 1916 and 1918, and its consolidation during the rearmament period of 1919-40; its final survival at the end of the second world war is also touched upon in the concluding part.

The account shows how the Cabinet Committee of Imperial Defence, with its large network of sub-committees, was evolved and developed in response to the needs of an imperial and maritime strategy and how, as a flexible and pragmatic form of organisation, it was able to cope with the problems of consultation, co-ordination and general super-

vision in regard to demands of war. A full-fledged Ministry of Defence, on the other hand, would have hardly served the purpose. The latter would have confused the relations between the British Cabinet and other Commonwealth Governments and would have also disturbed the pattern of existing departmental responsibilities to Parliament. The Committee of Imperial Defence, however, could not solve the problems of supply and it was found necessary to establish a Ministry of Supply in August 1939. The Cabinet Committee system, on the whole, showed great flexibility and resilience and made it possible for the British Government to meet the war demands without disturbing the parliamentary institutions and traditions of the country.

The author also brings out the role of top political leaders in the continuous process of the adjustment of the governmental machinery to war demands. Here, "Balfour, Haldane, Lloyd George and Churchill among Ministers, Sydenham Clarke, Hankey—above all Hankey—and Ismay among the officials, are the most prominent figures in a process which might well not have emerged or survived without them." On this point he concludes: "It is sometimes said that good men can make any system work. It seems extremely doubtful; and in any case good men, placed in such a position, have usually done their best to see that the system is changed. At best, an inadequate organization cramps and disturbs the efforts of those who have to run it: at the worst, it nullifies them. The members of Lloyd George's War Cabinet were probably men of higher calibre than



those of Mr. Churchill's. But the Cabinet system worked far better in the second case than in the first."

**BUILDING CONTRACTS OF LOCAL AUTHORITIES**—*Studies of Administrative Methods—Number Seven*; By ROYAL INSTITUTE OF PUBLIC ADMINISTRATION, London, RIPA, 30p. 5s.

This is a report of a short study conducted by the Royal Institute of Public Administration at the suggestion of one of its members, a County Treasurer, who found that the final accounts of new buildings were consuming excessive administrative skill and time in checking and counter-checking. The study details at some length the various stages in the erection of a building and stresses the importance of advance detailed planning and careful execution at each stage. The recommendations addressed to local authorities, the architect, the quantity surveyor, the chief financial officer and the builder, are directed towards simplifying the work steps, avoiding wastage of skill and time, balancing and expediting work-flow, and facilitating prompt settlement of final accounts. It is emphasised that variations to agreed plan should be scrupulously avoided; measuring should keep pace with construction; and the final account check should be limited to ensuring accuracy and should exclude examination of technical aspects.

**PARLIAMENTARY GOVERNMENT IN PAKISTAN**; By NASIM ZAKARIA, Lahore, New Publishers, XII, 222p.

Despite the recent abrogation of the 1956 Constitution, the book may be of interest as it contains a modest attempt to analyse the nature and scope of parliamentary control in Pakistan. The Foreword by Prof. Abdul Hamid, Head of the Department of Political Science and History, Go-

vernment College, Lahore, explains: "It was probably the French thinker Montesquieu who discovered the suitability of torrid zones for an absolutist form of government. Be that as it may, it is hoped that this little book will stimulate a search for political patterns appropriate to the genius of the East". There are informative chapters on the Cabinet, the Civil Service, the Comptroller & Auditor-General, the West Pakistan Provincial Administration, Local Self-Government, Political Parties, etc. in Pakistan. The author laments the absence of ideal relationship between the ministers and the civil servants; he also cursorily refers to the quota system in regard to the recruitment of persons to the Civil Service from the Eastern and Western parts of Pakistan.

**LOCAL GOVERNMENT IN SOUTHERN NIGERIA**; By PHILIP J. HARRIS, London, Cambridge University Press, xii, pp. 348 30s.

This is "a work-book for officials, a text-book for students and a detailed study for the citizens" on the system, practice and procedure, finance and personnel of Local Government in Southern Nigeria. Local Government there derives its powers from the laws made by the legislatures of the Western and Eastern regions; the Regional Governments exercise considerable control through the system of grants-in-aid, Inspectorates, audit and restrictions over senior staff appointments and dismissals. The local government system in Southern Nigeria basically consists of three tiers—divisional or county councils, district councils, and local councils. These councils have, in addition to responsibilities in the field of social service and economic development, the duty of the prevention of the commission of any offence by establishing a local police force, prison, etc.



**THE CONSTITUTION OF INDIA;** By MANGAL CHANDRA JAIN KAGZI, Delhi, Metropolitan Book Co., Private Ltd., xxviii, 335p. Rs. 10.

In addition to a fairly detailed survey of the various aspects of the Constitution of India, the book contains short but informative chapters on 'Delegated Legislation and Control of Administrative Rule-Making' and 'Civil Services'. The constitutional provisions in regard to both these matters are supplemented by case law. There are numerous references to important statutes, cases and recommendations of various commissions.

**ADMINISTRATIVE PROBLEMS OF PUBLIC ENTERPRISES IN INDIA;** By M.C. SHUKLA, Delhi, S. Chand & Co., 1959, viii, 232p., Rs. 10.

In this useful addition to the literature on the subject, the author analyses the nature and scope of public ownership, classifies public enterprises in India under different objectives and examines their various forms of organisation, in particular the public corporation and the government company. The content of autonomy, we are told, varies with the nature and the purpose of enterprise; the government company is more flexible and can function as successfully as a commercial company. There are interesting chapters on Parliamentary and Ministerial Control and Board of Directors. The author favours the establishment of a Review Board in the executive branch of government to carry out 'efficiency audit' of public enterprises; the Estimates Committee as at present constituted is too large for effective work and not appropriate for organisational and administrative studies; a separate *ad hoc* Parliamentary Committee on Public Enterprises is called for, as also Advisory

or Consultative Committees for different State enterprises. The disputes regarding the power and autonomy of the non-departmental enterprises between the Government and the enterprises should be arbitrated by a tribunal; similarly, the allocation of profits should be left to an independent tribunal—the Planning Commission could act as such a tribunal because it can see the enterprise in its proper perspective in the context of the whole economy in the country. The Boards of Directors are generally, in practice, Boards of Management; they do not enjoy the necessary autonomy in regard to policy-making which is essential for their efficient administration. The official members on the Boards should function as individuals and not as representatives of the Ministry concerned; it is desirable to have mixed Boards even if the number of non-officials is small; the appointment of Directors should not be based on the status of an individual but on considerations of merit. The Financial Adviser should not have access to the Board over the Managing Director; the burden of bringing disagreement between the two to the notice of the Board should rest on the shoulders of the Managing Director.

There are separate sections describing management, management of workers and work, the price policy of public enterprises and training of managers for competence and responsibility. Of these, the sections on price policy and training of managers alone contain a discussion of the Indian position; the remaining are an exposition of the theory of the management.

**IMPROVING MANAGERIAL PERFORMANCE;** By VIRGIL K. ROWLAND, New York, Harper & Brothers, xviii, 167p.

In a lucid and extremely refreshing style, the book underlines the

importance of a basic philosophy of management development, and discusses some important techniques for development of managerial personnel. Management is fastly becoming a profession, something distinct from the various technical specialities the manager may supervise. "A manager's primary job is to manage people, not things; that it is not his ability to do things himself but to get other people to do them that enables him to manage with success. One well-known study, for example, found that departments whose supervisors help with the work actually tend to produce less than those in which the supervisor confines himself to managing." We are told that the function of directing people—the essence of management—cannot be delegated; that 'It is better to have the right man do a poor job than the wrong one do a good job'; 'People do what their Boss inspects'; and that 'Better Management' can be learnt and must be taught through management development programmes.

The author discusses in detail the relative merits and demerits of different methods of appraising "executive traits" and for rating actual performance, including the 'forced choice' 'check-mark' lists. He, however, favours the essay-type appraisal by a group of four or five managers of higher level than the individual appraised. The group

should appraise both the results and the traits; the group appraisal is to be reviewed by a Review Board of three to five members from among the higher management personnel and to be further followed up by an appraisal interview granted by the supervisor to the employee appraised by him. The main object of appraisal is to improve the performance of managers; it also helps to provide a panel of names for purposes of promotion to higher responsibilities.

Other techniques for development of managerial personnel, *e.g.*, job enlargement, job rotation, training courses, selection of supervisors, setting standards of performance and 'feeding back' the results of attitude and opinion surveys to the top management, are also discussed. The role of the 'staff man' in personnel matters is analysed and 'line-staff' relationships are clarified in the context of improving managerial performance. The author emphasises the importance of explaining to the supervisors, who are not promoted, the reasons why they could not be selected for the higher job. Lastly, it is pointed out that each of the development techniques discussed constitutes only *one* of the many ways for developing managerial personnel and what is therefore of utmost importance is a continuing effort to improve managerial performance by all possible ways and methods.





